



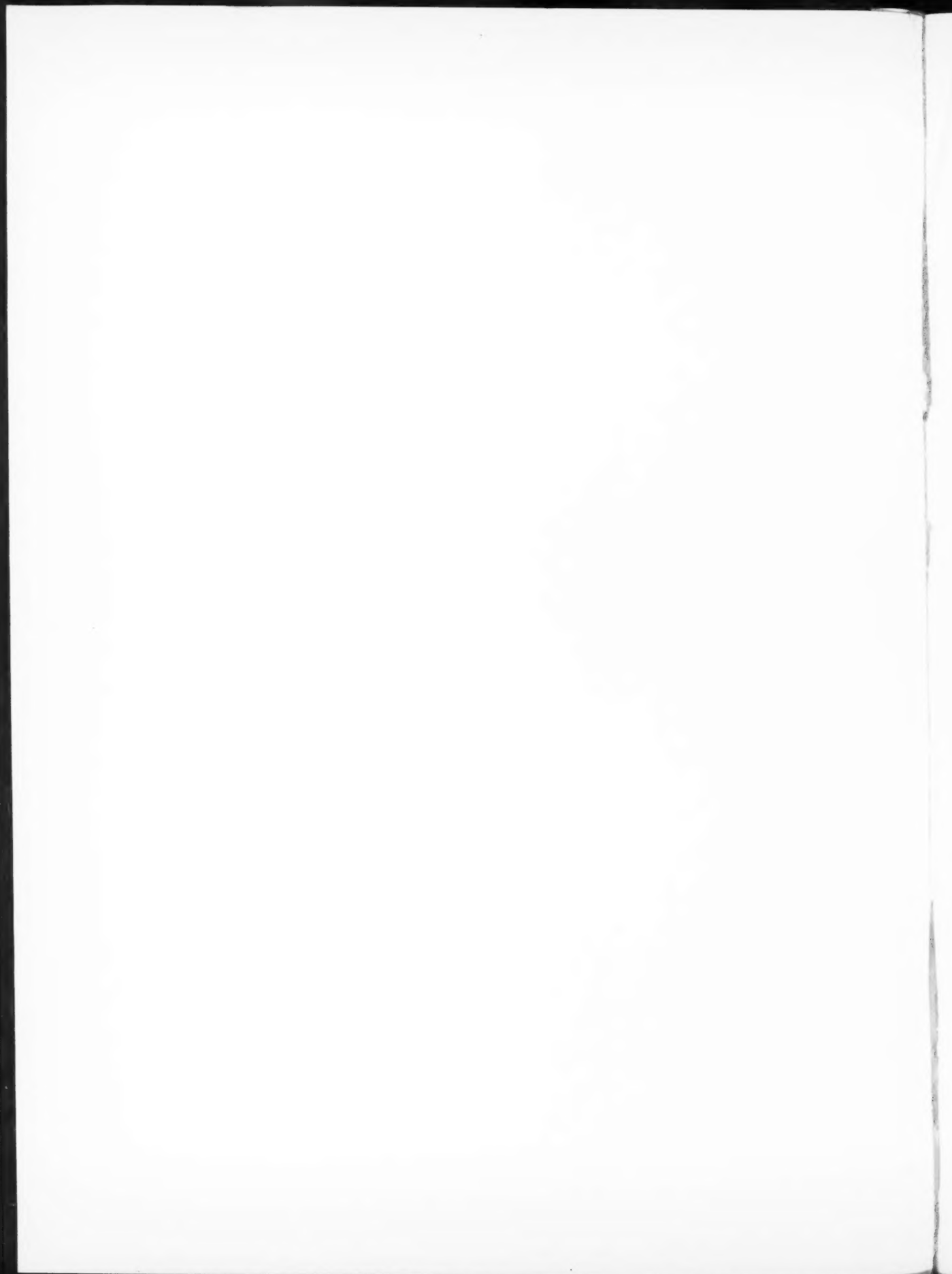
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# **ECONOMIC BULLETIN FOR EUROPE**

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# ECONOMIC BULLETIN FOR EUROPE

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## REVIEW OF THE ECONOMIC SITUATION IN EUROPE DURING THE FIRST QUARTER AND PART OF THE SECOND QUARTER OF 1952

The first quarter of 1952 was in all too many countries a fairly close replica of its predecessor. Industrial employment and production as a whole stagnated or fell, even after allowance for the normal seasonal drop, in all the big western European industrial countries except France, increases in the industries supplying defence programmes being still insufficient to offset declines in the activity of those producing durable consumer goods both for home and export markets. Unemployment, though still in almost all countries low by the standards of pre-war depressions, increased slightly. As both an effect and a cause of these developments, the volume of consumption continued to fall in spite of a generally high level of imports. Exports marked time, and those countries—the United Kingdom and France—which were already in balance-of-payments difficulties continued to experience an alarming drain on their reserves of foreign exchange. The weakness of the dollar position of most countries was masked by the operation of the European Payments Union, which concentrated most of the strain on the United Kingdom; Continental Europe's deficit with the United States on current account was, however, only slightly less than it had been in the previous quarter and nearly twice as great as the already not inconsiderable deficit of twelve months earlier.

North America was continuing to supply a higher proportion of Europe's imports than just before or just after the Korean fighting started; Europe was continuing to send a smaller proportion of its exports to the dollar area than in 1950. Europe's prospects of even keeping up the present level of its dollar exports clearly depend in part on the degree of firm-

ness with which the United States administration resists the increasing number of pressure groups pleading for higher tariffs.

Two rays of light relieve this gloomy picture. The output of coal everywhere increased sufficiently to make possible a rapid curtailment of American imports (though not enough to provide a firm base for further industrial expansion). The steel shortage which had been holding back engineering output and exports in the United Kingdom seemed, too, to be well on the way to solution (though not without some cost in dollars). In both these cases the improvement has continued during the second quarter. Moreover, it then began to seem likely that European harvests in 1952 would be big enough to permit reductions in dollar imports of food without further reductions in standards of living.

It was too early in the first quarter for some of the policy decisions, taken just before or during the quarter, to show their effects. Since then there has undoubtedly been some improvement of the international position of the pound sterling and the French franc, though at the expense of a reduction in the volume of trade within Europe and the sterling area. The steady rise in French retail prices has been halted and even, at any rate temporarily, reversed. Some Governments, which had earlier embarked on policies of deflation in order to improve their balances of payments, have recently felt confident enough to ease credit conditions a little and encourage housebuilding, but, except perhaps in the Netherlands, the relaxation has been slight. In Austria and Finland, the stabilization programmes have met with a good deal of success.

# I. INTERNATIONAL TRADE AND PAYMENTS

## European Exports

In the first quarter of 1952, the total volume of European countries' exports was almost back to the level reached a year earlier, when the post-Korean rise was gradually flattening out. Only in the case of Sweden, the Netherlands, western Germany and the United Kingdom had there been any notable increase in the preceding twelve months, and in the German case this had taken the form of a rise until the autumn and an only slightly smaller fall since then. At the other extreme, French exports were 14 per cent down in volume. Such changes as there were during the quarter itself can largely be explained by seasonal factors affecting foodstuffs and forestry products. The main exception to this is France, where inflationary pressure, unchecked until the spring, had made prices increasingly uncompetitive in world markets.<sup>1</sup> Part of the rise in British exports in the first quarter was caused by a rush to get manufactured goods to Australia, New Zealand and France before the stringent import cuts became effective, and was thus of no lasting significance.

*Increase in Volume of Exports over Level of  
Corresponding Period in Previous Year*  
(Percentages)

	1951				1952
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
United Kingdom . . .	2	13	2	-3	9
France . . . . .	43	35	19	-10	-14
Western Germany . .	80	68	44	8	10
Belgium . . . . .	20	33	41	-1	-4
Netherlands . . . .	38	27	9	8	13
Italy . . . . .	27	14	2	-1	..
Switzerland . . . .	38	40	18	-2	1
Sweden . . . . .	-5	15	-1	-1	7
Denmark . . . . .	33	26	4	1	-1
Norway . . . . .	6	7	2	6	1
Finland . . . . .	20	14	25	43	-4
Austria . . . . .	40	20	14	-20	-7
Total of fifteen countries <sup>a</sup>	23	26	13	-1	2

<sup>a</sup> Countries listed above, together with Ireland, Spain and Turkey.

This relative stability of exports over the last twelve months has, however, been accompanied by a

<sup>1</sup> Only the French overseas territories increased imports of French goods in the first quarter; whereas in the first quarter of 1951 these territories took about one-third of all French exports, by the first quarter of 1952 this proportion had increased to about 45 per cent.

considerable shift in their commodity composition. By the first quarter of 1952, the share of textiles in total exports, which in the extreme case of Italy had been as high as 40 per cent in mid-1951, had fallen considerably below the pre-Korean level in almost all countries.

*Share of Textiles in the Total Exports of  
European Countries*

	1950	1951		1952
	First half	First quarter	Second quarter	First quarter
United Kingdom . .	18	22	22	17
France . . . . .	20	19	19	15
Italy . . . . .	31	37	40	24
Belgium . . . . .	20	18	18	13
Netherlands . . . .	11	13	10	10
Western Germany . .	4	6	6	5
Switzerland . . . .	15	16	13	14

The fall in the value of textile exports was accentuated during the first quarter, as shown in Table 1, and has continued since. The only important exceptions to this were the Netherlands and Switzerland, which were able to maintain and even to expand somewhat the market for their specialized products, partly as a result of the further liberalization of German imports. The fall in French textile exports was again concentrated on exports to foreign countries, the French Union taking roughly the same amount as during the fourth quarter and roughly two-thirds of the total value of textile exports.

The proportion of total western European exports which went to the dollar area remained more or less unchanged in the first quarter at 7 per cent; in the case of most European countries it was lower than it had been a year before or in 1950.<sup>2</sup>

<sup>2</sup> The United Kingdom and Belgium have shown the greatest weakness in this respect. The height and stability of the Swiss ratio, on the other hand, are notable: needless to add that its continuance depends very much on United States import policy; the President recently turned down a recommendation by the United States Tariff Commission to grant domestic watch manufacturers still greater protection against foreign competition.

*Proportion of Total Exports going to the United States and Canada*

	United Kingdom	Belgium- Luxem- bourg	Switzer- land	Total of 18 countries
1950 Third quarter	12	10	15	9
1951 First quarter .	11	11	15	9
Fourth quarter . .	9	8	15	7
1952 First quarter .	8	8	15	7

**Table 1**  
**EXPORTS OF TEXTILES FROM SEVEN EUROPEAN COUNTRIES**

*Millions of current dollars, quarterly averages*

Country	1950		1951				1952
	First half	Second half	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
United Kingdom : Sterling area . . . . .	136	162	182	205	218	220	196
Other countries . . . . .	127	155	175	199	175	134	138
France : French Union . . . . .	65	74	80	90	90	104	101
Other countries . . . . .	70	84	114	111	82	72	55
Belgium . . . . .	80	82	111	120	103	102	86
Italy . . . . .	83	109	134	160	152	125	89
Western Germany . . . . .	17	32	44	52	64	57	44
Netherlands . . . . .	34	44	48	47	54	53	57
Switzerland . . . . .	28	32	39	37	39	34	37
Total of seven countries listed . . .	640	774	927	1,021	977	901	803

Sources : National trade statistics. The coverage of figures in all countries has been brought to correspond as closely as possible to the United Kingdom's export classification Group III-I, J, K, L, M.

The total value of Europe's exports to the United States alone was about 10 per cent lower than in the previous quarter. Among European countries, only the United Kingdom showed any significant increase, and that was partly owing to an exceptional sale of tin from the Government stockpile. Belgian and western German exports of steel fell off further. Oddly enough, food exports, in spite of American import restrictions, presented the brightest picture : they rose to \$70 million, about one-third above the 1951 level.<sup>1</sup>

<sup>1</sup> While the increase from the fourth quarter to the first quarter was largely seasonal, the trend appears to have been a rising one. United States food imports from Europe in the first three months of 1952 were 12 per cent above, and imports of other goods were about as much below, the level of the first

quarter of 1951. Since the first quarter, the total value (and doubtless volume) of European exports of manufactured goods has continued, except in the case of western Germany, to fall.<sup>2</sup> This, however, was to be expected, if only as a result of the French and Sterling Area import cuts. What is much more disturbing is that once again only the United Kingdom, among the main European exporters to the dollar area, has been able to increase

quarter of 1951. Most European countries participated in this expansion; one of the more conspicuous developments, both absolutely and relatively, was the rise of Irish exports of meat products, especially of frozen beef, from \$0.8 million in the first quarter of 1951 to \$3.4 million in the same period of 1952.

<sup>2</sup> The fall in French exports has occurred in spite of the increasing use of export subsidies and barter deals, which in effect amount to a partial devaluation of the franc.

**Table 2**  
**EXPORTS OF EIGHTEEN WESTERN EUROPEAN COUNTRIES TO DIFFERENT AREAS**

*Millions of dollars*

Year and quarter	Western Europe	U.S.S.R. and eastern Europe	Sterling Area and Dependent Overseas Territories	United States and Canada	Latin American Republics	Other	Total
1950 IV . .	3,210	169	1,470	597	454	330	6,229
1951 I . .	3,246	157	1,433	575	416	337	6,166
IV . .	4,043	191	1,999	578	587	360	7,757
1952 I . .	3,772	164	2,015	526	496	379	7,352

**Table 3**  
**VALUE OF EXPORTS OF SELECTED EUROPEAN COUNTRIES**  
**TO THE UNITED STATES AND CANADA**

*Millions of current dollars, adjusted to a 25-day working month*

	1951		1952					
	Third quarter	Fourth quarter	Jan.	Feb.	March	April	May	June
United Kingdom . . . . .	67	55	50	50	61	60	64	64
France . . . . .	23	20	17	17	14	15	15	..
Western Germany . . . . .	24	21	21	20	19	20	21	..
Belgium-Luxembourg . . . . .	18	18	17	18	16	17	..	..
Switzerland . . . . .	12	15	10	14	14	12	14	13

NOTE. — The countries listed accounted for about 70 per cent of Europe's exports to the United States and Canada during the first quarter of 1952.

its sales to North America, and even this was due mainly to a recent recovery of demand in Canada, which is not an important customer of other European countries. The others have been able to do no more than maintain the existing level of their exports. This failure occurred at a time when United States import demand had recovered from the low levels of the latter half of 1951 and was relatively high.

Although Europe's exports to North America are still some 60 per cent higher than during the half-year before Korea, their continuing low share in total exports and their recent weakening tendency afford little encouragement to hopes of alleviating Europe's dollar position by increased and stable export markets in this area. The prospect would, of course, become even darker if renewed protectionism should prevail over efforts to lessen the still serious impediments to outside competition in the United States market.<sup>1</sup>

#### *European Imports*

Western Europe's imports remained at the same level as in the preceding quarter, but there were

<sup>1</sup> Several countries, including France, the Netherlands, Western Germany and Denmark, have taken or are considering special measures to encourage dollar exports. The common feature of these measures is the freeing, for exporters' own use, of a certain percentage of their dollar earnings. The higher this percentage is fixed, the greater, obviously, is the likelihood that dollar sales will increase, but the greater also the likelihood that imports of luxury and other goods not commonly admitted from the dollar area will increase. The net gain, even for a particular country, may thus be small. Moreover, in the case of Western Germany, where the "free" proportion has been put at the exceptionally high figure of 40 per cent, the main consideration seems to have been a desire to stop the re-export of German products to the United States from countries which had previously granted more attractive exchange privileges to their own traders. To the extent that this object is achieved, the net gain of dollars to Europe as a whole will be nil.

notable differences between the various countries. French imports continued to be high until restrictions were imposed in March; Italian imports rose after the complete liberalization of its trade with E.P.U. countries; British imports fell, but by far less than might have been expected after the cuts announced;<sup>2</sup> Belgian and Swiss imports, which had already started to fall in the fourth quarter, continued their downward movement.

The most alarming factor, however, was the persistence of imports from the dollar area by both European countries and the overseas sterling area at levels 25 and 90 per cent, respectively, higher than they had been a year earlier.<sup>3</sup>

#### *Exports from the United States and Canada<sup>a</sup>*

(Millions of dollars, f.o.b.)

	1950	1951	1952
	Fourth quarter	First quarter	Fourth quarter
To Europe . . . . .	994	1,053	1,511
To overseas sterling area . . . . .	226	268	493
			515

<sup>a</sup> Excluding shipments of military aid.

The magnitude of the first quarter's imports doubtless still reflected the optimism prevalent in mid-1951, when Governments were drawing up their dollar import programmes for 1952. Since then, not only have dollar earnings fallen, but the flow of direct

<sup>2</sup> The British Government has not so far forced any importer to break a contract into which he had already entered when the cuts were announced.

<sup>3</sup> The unit values of United States exports increased by only 2 per cent over the same period.



Table 4

PERCENTAGE OF EUROPEAN IMPORTS OBTAINED FROM THE UNITED STATES AND CANADA

<i>Imports from United States and Canada</i>		United Kingdom	France	Netherlands	Belgium-Luxem.	Switzerland	Italy	Denmark	Sweden	Western Germany	Total of 18 countries
1950	Third quarter	14	13	12	20	16	27	8	8	15	15
	Fourth quarter	16	12	8	17	16	14	8	8	13	14
1951	First quarter	13	12	10	17	17	16	8	8	15	14
	Second quarter	15	11	12	18	19	22	12	11	23	16
	Third quarter	17	14	14	20	20	31	8	10	18	17
	Fourth quarter	20	13	12	23	19	22	14	12	24	18
1952	First quarter	19	14	17	22	22	23	12	13	23	18

Source: Table XX.

and indirect aid from the United States has proved to be slower than European Governments had chosen to expect. Though United States Government expenditures in Europe and its overseas dependencies were already \$100 million higher in the first quarter of 1952 than they had been a year earlier,<sup>1</sup> relatively small production contracts had been placed in Europe until the last weeks of the fiscal year.

Official expectations as to available supplies of dollars had presumably changed by the autumn of 1951. It is disturbing to see that actual dollar imports were so slow to respond to a downward fall in expectations. The lag when expectations moved upwards in late 1950 seems to have been less long.

A small part of the deterioration in the dollar position during 1951 was due to a reduction in United States purchases from Europe, a larger part to a fall in United States purchases of raw materials from the overseas sterling area, but the bulk of the deterioration arose from the import policies of the European and sterling countries themselves. During 1951, as Table 4 shows, every western European country increased its dependence on imports from North America at a time when economic aid was falling off and the share of European exports going to dollar areas was declining. The same was true of the overseas sterling area countries. The proportion of imports coming from North America declined somewhat in the first quarter, but still remained higher than it had been a year earlier.

<sup>1</sup> United States Government internal expenditure on services in Europe and its dependent overseas territories has developed as follows during the past two fiscal years (in millions of dollars):

1950—third quarter . . . 63	1951—third quarter . . . 129
fourth quarter . . . 70	fourth quarter . . . 179
1951—first quarter . . . 78	1952—first quarter . . . 187
second quarter . . . 89	

Table 5 shows a commodity break-down of European imports from North America. It will be observed that, in both the last two quarters shown, the value of imports of almost every class of goods was higher than in the corresponding quarter twelve months earlier. As American export prices changed little over the year, most of the increases must have represented rises in volume. The increased cotton imports reflected the larger United States crop in 1951, the increased British imports of oil were presumably a consequence of the loss of Iranian supplies. But, however many special reasons can be produced to explain this or that increase, the table as a whole illustrates all too clearly the continued failure of Europe to develop dollar-saving production sufficiently to pay its way; the most striking example of this failure is, of course, the imports of coal from the United States, which swelled Europe's import bill in the year 1951 (quite apart from freight) by \$300 million.

#### The Dollar Position

Europe's dollar deficit thus remained almost as serious in the first quarter as it had been since the tide turned in mid-1951. The deficit of Europe and its affiliated currency areas with the United States fell by some \$350 million, but over \$80 million of this was due to an increase in the export earnings of British colonies,<sup>2</sup> and most of the remainder to a

<sup>2</sup> It will be recalled that the United States resumed purchases of tin from British Malaya in the first quarter, and imports of this commodity totalled \$19 million, as against nothing in the fourth quarter of 1951 and only \$22 million during the whole year 1951. Rubber imports from Malaya rose from \$68 million in the last three months of 1951 to \$122 million in the first quarter 1952; this rate, which was considerably above the 1951 average, was not, however, maintained in April.

**Table 5**  
**UNITED STATES EXPORTS OF SELECTED COMMODITIES**  
*Millions of dollars in current prices f.o.b. <sup>a</sup>*

Commodity	To United Kingdom						To rest of Europe					
	1950	1951				1952	1950	1951				1952
	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
Grains and cereals . . .	15	49	51	19	19	55	101	160	207	117	123	158
Animal fats and oils . .	—	3	22	14	15	20	53	40	60	61	51	38
Tobacco . . . . .	44	8	6	49	82	11	35	25	32	27	35	26
Coal . . . . .	1	8	2	—	—	2	4	30	61	84	103	91
Mineral oil . . . . .	9	9	17	29	24	12	17	20	25	29	23	20
Steel . . . . .	2	2	1	2	3	12	20	21	18	20	23	31
Other metals . . . . .	13	16	14	9	18	11	14	15	20	13	21	33
Wood and paper . . . .	5	8	11	18	16	9	7	8	11	10	17	15
Raw cotton . . . . .	21	9	4	24	63	45	115	118	175	54	219	161
Machinery . . . . .	15	14	17	17	22	29	109	97	101	96	86	98
Chemicals . . . . .	8	9	12	15	14	10	29	34	43	46	47	43
Other items . . . . .	20	24	33	47	22	23	115	129	146	120	124	127
<b>TOTAL . . . . .</b>	<b>153</b>	<b>159</b>	<b>190</b>	<b>243</b>	<b>298</b>	<b>239</b>	<b>619</b>	<b>697</b>	<b>899</b>	<b>677</b>	<b>872</b>	<b>841</b>

Source: United States Exports of Domestic and Foreign Merchandise (FG 420), United States Department of Commerce.

<sup>a</sup> Exports exclude special categories.

reduction in the deficit of one country, the United Kingdom. Half of this improvement in the British position, in turn, resulted simply from the absence of any interest payments on the United States Government loan in the first quarter.

*Balance on Goods and Services Account of European and Affiliated Currency Areas with the United States*  
(Millions of dollars, excluding military aid)

	1950	1951	1952
	Fourth quarter	First quarter	Fourth quarter
United Kingdom . .	+ 10	— 26	— 239
Other European countries . . . .	— 211	— 263	— 516
Overseas sterling area :			
Colonies . . . . .	+ 106	+ 173	+ 58
Other . . . . .	+ 54	+ 56	— 258
European non-sterling dependencies . . .	+ 12	+ 23	+ 35
<b>Total . . . . .</b>	<b>— 19</b>	<b>— 37</b>	<b>— 920</b>

Source: Survey of Current Business, United States Department of Commerce, March and June 1952.

The suddenness of the shock when the dollar position deteriorated in 1951 was hidden from most European countries by the operation of the European Payments Union. In transactions with the United

States, western Europe as a whole lost gold and dollars to the tune of \$800 million in the second half of 1951, and the drain continued unabated during the first quarter of 1952. But because of the fact that surpluses in Europe could be converted at any rate partially into gold, most countries were able actually to add to their reserves, as Table 6 shows, and almost the whole burden of adjustment fell in the first place on the United Kingdom and France.

The international payments difficulties of France and the United Kingdom were already the subject of public discussion and private speculation in the autumn of 1951. Nevertheless, the drain on reserves continued inexorably during January and February, and only in March, after emergency measures more drastic than the first halting experiments of November had been decided on, was there any slackening of the rate of outflow.

Since then the position has been held in both countries. The foreign exchange reserves of the Bank of France and the official Stabilization Fund actually increased by about \$15 million between mid-March and mid-June; the gold and dollar reserves of the sterling area fell by only \$15 million during the second quarter of the year.

**Table 6**  
**CHANGES IN FOREIGN EXCHANGE RESERVES OF SELECTED EUROPEAN COUNTRIES**  
*Millions of current dollars*

Country	Total gold and foreign exchange holdings		Holdings of gold and short-term dollar assets <sup>a</sup>		Settlements with the E.P.U.			
	Fourth quarter 1951	First quarter 1952	Fourth quarter 1951	First quarter 1952	in gold and dollars		in credit	
United Kingdom <sup>b</sup> . . . . .	-1,462	- 780	-934	-635	- 98	-219	-528	-145
France . . . . .	- 473 <sup>c</sup>	- 264 <sup>c</sup>	+ 66 <sup>d</sup>	- 38 <sup>d</sup>	- 19	- 62	-234	-238
Sub-total . . . . .	-1,935	-1,044	-868	-673	-117	-281	-762	-383
Finland . . . . .	+ 79	-15	+10	—	—	—	—	—
Ireland . . . . .	+ 8	-17	..	..	—	—	—	—
Switzerland . . . . .	+ 15	-14	+15	+4	+37	+26	+37	+26
Turkey . . . . .	+ 27	-19	+ 3	-4	+ 4	-27	—	—
Sub-total . . . . .	+129	-65	+28	—	+41	- 1	+37	+26
Belgium . . . . .	+ 49	+110	- 15	- 2	+ 94	+ 60	+ 97	+ 95
Denmark . . . . .	+ 48	+ 15	+ 1	- 6	+ 5	+ 2	+ 20	+ 36
Western Germany . . . . .	+ 41	+145	- 69	- 44	+ 10	—	+141	+ 99
Greece . . . . .	- 1	+ 5	+ 4	—	—	—	—	—
Iceland . . . . .	+ 2	—	..	..	—	—	—	—
Italy . . . . .	+ 92	+ 17 <sup>e</sup>	+ 66	+ 5 <sup>e</sup>	+ 54	+ 13	+ 54	+ 13
Netherlands . . . . .	+ 4	+ 69	+ 19	+ 25	+ 60	+ 34	+116	+171
Norway . . . . .	- 4	+ 24	- 3	+ 5	—	—	+ 15	- 6
Portugal . . . . .	+ 30	+ 10	+ 23	+ 11	+ 14	+ 10	+ 14	+ 11
Sweden . . . . .	+165	+ 29	+ 12	+ 43	+ 32	+ 64	+120	+ 64
Sub-total . . . . .	+426	+424	+ 38	+ 37	+269	+183	+577	+483
Total of all countries listed . . . . .	-1,380	-685	-802	-636	+193	- 99	-148	+126

Sources: *International Financial Statistics*, International Monetary Fund, June 1952, national Central Bank statistics and E.P.U. reports.

NOTE. — A plus sign indicates an increase in reserves, receipts of gold and dollars from the E.P.U., and extension of credit to the E.P.U. Owing to differences in coverage, inter-country comparisons, and comparisons between the series given should be made with caution. For important qualifications affecting the items, see "Notes to the Statistics" and footnotes below.

<sup>a</sup> Including, wherever possible, changes in official gold holdings and in official and private short-term dollar assets in the United States banks.

<sup>b</sup> Figures for "gold and short-term dollar assets" cover the United Kingdom holdings (for the entire sterling area) of gold and United States and Canadian dollars.

Data given for "total gold and foreign exchange reserves" covers this item and credits received from the E.P.U. Data for changes in "sterling balances" are not known for the periods shown, and are therefore excluded.

<sup>c</sup> Changes in Bank of France foreign exchange holdings and its advances to the Stabilization Fund.

<sup>d</sup> Changes in French holdings—official and private—of short-term dollar assets in the United States.

<sup>e</sup> Changes in gold and official foreign exchange holdings through February only.

It will be seen from Table 7, however, that the improvement in the British position since April has been entirely due to a rise in military aid from the United States. Other transactions on current and capital account were responsible for a gold and dollar drain of \$300 million in January, \$265 million in February, \$150 million in March and between \$60 and \$90 million in each subsequent month; indeed, there has recently been some minor deterioration in gold settlements with countries outside the E.P.U. area. This suggests that the slowing down of the

outflow of gold was in large part due to a change in sentiment <sup>1</sup> towards sterling rather than to a shift in the underlying movements of trade. This change was doubtless precipitated by the abrupt rise in Bank rate in March. Nevertheless, to the extent that the earlier flight from sterling took the form of postponement of sterling payments by foreign nationals or delays in the repatriation of dollar earnings by

<sup>1</sup> The word is deliberately chosen: reason can hardly have entered into the calculations of those who chose to believe that the British authorities would see any gain in a further devaluation.

Table 7

CHANGES IN THE STERLING AREA'S GOLD AND DOLLAR RESERVES AND E.P.U. LIABILITIES  
Millions of current dollars

	1951		1952		1952					
	Third quarter	Fourth quarter	First quarter	Second quarter	Jan.	Feb.	March	April	May	June
<i>Gold and dollar settlements :</i>										
Military aid . . . . .	—	—	+ 9	+202	—	—	+ 9	+ 25	+ 81	+ 96
Other exceptional receipts of gold and dollars <sup>a</sup> . . . . .	+ 40	+ 45	+ 74	— 1	—	—	+ 74	—	—	— 1
Service of U.S. and Canadian loans	—	—176	—	—	—	—	—	—	—	—
With non-E.P.U. areas <sup>b</sup> . . . . .	—532	—705	—499	— 73	—224	—172	—103	— 12	— 20	— 41
With E.P.U. . . . .	—106	— 98	—219	—143	— 75	— 94	— 50	— 51	— 45	— 47
Total change in gold and dollar reserves . . . . .	—598	—934	—635	— 15	—299	—266	— 70	— 38	+ 16	+ 7
Increase in liabilities to E.P.U. (—) . . . . .	—255	—528	—145	— 27	— 75	— 58	— 13	— 13	— 11	— 3
Total . . . . .	—853	—1,462	—780	— 42	—374	—324	— 83	— 51	+ 5	+ 4

Sources : United Kingdom Balance of Payments, 1948 to 1951 (No. 2) (Cmd. 8505), H.M.S.O., London ; various speeches by the Chancellor of the Exchequer ; E.P.U. reports.

<sup>a</sup> This item covers extraordinary sales of rubber and tin to the United

States, receipts of United States economic aid, and disbursements in dollars made by the United States to compensate for the gold losses of the United Kingdom to E.P.U. arising from the use of "existing sterling resources".

<sup>b</sup> Residual.

British nationals, the passage of time was bound to bring its own alleviation of the pressure on the pound.

Chart 1, which is based on figures reported to the United States Treasury, illustrates the importance that such changes of sentiment can have on a country's reserves in the short run. Between the end of July 1951 and the beginning of March 1952, United States residents alone allowed their recorded short-term liabilities payable in sterling to rise from \$41 million to \$112 million; over the same period they reduced their short-term claims payable in sterling from \$89 million to \$20 million. The result of this hardly fortuitous combination of events was to deprive the sterling area—but only temporarily in all probability—of \$140 million of hard currency.<sup>1</sup> This seems to have been a bigger bear movement than that which preceded the devaluation of 1949.

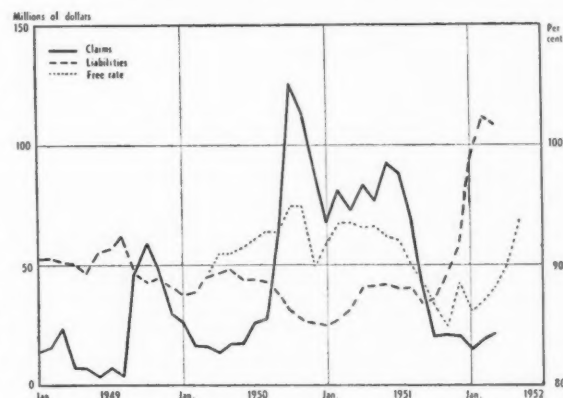
It is too early yet to say how much of this "scare money" has returned to the sterling area. It is, however, noticeable that in the past two years the swings in the series have tended to coincide closely with (though, of course, to exceed in amplitude)

<sup>1</sup> In so far as the value of trade in both directions changed over the period in question, some change in the total volume of sterling claims and liabilities would be expected, but nothing sufficient to explain a movement of this magnitude.

Chart 1

UNITED STATES SHORT-TERM CLAIMS ON, AND LIABILITIES TO, THE UNITED KINGDOM, PAYABLE IN STERLING, AND FREE RATES IN UNITED STATES OF TRANSFERABLE ACCOUNT STERLING AS A PERCENTAGE OF OFFICIAL RATE

Position at end of month in millions of dollars  
Percentages of monthly averages



Sources : Treasury Bulletin, U.S. Department of the Treasury, and International Financial Statistics, International Monetary Fund.



fluctuations in the discount on transferable sterling as compared with the official exchange rate. The strengthening of the transferable sterling rate since March might therefore be taken as indirect evidence that eagerness to liquidate sterling holdings has diminished.

It is, however, all too likely that some part of the increased strength of transferable sterling in the spring merely reflected an increase in the proportion of business done at rates lower than the official rate. The fact that this was possible is evidence of the existence of significant gaps in the foreign exchange controls of the sterling area, which could be closed only by a tighter supervision, in concert with the monetary authorities of other countries, of "switch" transactions in sterling area commodities.<sup>1</sup>

A more encouraging factor for the immediate future is the likelihood that the recent strengthening of United States demand for imported materials has not yet been fully reflected in payments to overseas countries. Stocks of imported materials had risen by so much during the first half of 1951 that importers could afford to run them down for some months without affecting the production processes.

Chart 2 shows the difference each month between the "general imports" of the United States and its "imports for consumption." This difference gives a rough indication of the rate of additions to, or withdrawals from, inventories held in bonded warehouses.<sup>2</sup> It will be seen from the chart that these inventories (which are, of course, only a small part of the total) started to fall in August 1951, and have decreased almost uninterruptedly since. This fall seems to have been of about the same order of magnitude as the rise in the first half of 1951<sup>3</sup> and at least as great as the liquidation of 1949.

<sup>1</sup> Paradoxically enough, the worsening of the sterling area's position in E.P.U. to the point of 100 per cent gold settlements has temporarily removed the incentive to remedial action.

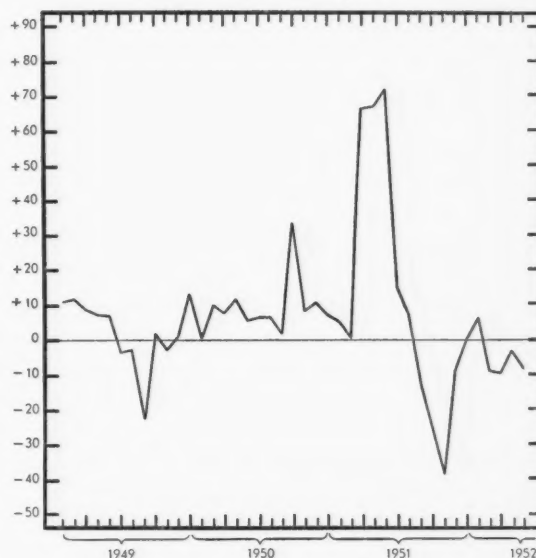
<sup>2</sup> The difference affords only an approximate indication, since additions to stocks in bonded warehouses (positive differences) would be less and withdrawals for domestic use (negative differences) would be greater than the figures suggest to the extent that the stocks are drawn upon for re-export. Such re-exports are not separately published, but the movement in total re-exports (including goods previously cleared through customs for domestic consumption) suggests that the necessary adjustment would be both relatively minor and fairly stable, although tending to reduce the indicated rate of stock accumulation in early 1951 and to increase the indicated rate of withdrawal thereafter.

<sup>3</sup> See preceding footnote.

Chart 2

DIFFERENCE BETWEEN THE UNITED STATES' TOTAL IMPORTS AND IMPORTS FOR CONSUMPTION

Millions of current dollars



Sources: *Survey of Current Business*, United States Department of Commerce.  
Note: + sign indicates an excess of total (general) imports over imports for consumption. This difference includes re-exports and goods imported into customs warehouses.

Thus, even should United States internal demand not rise above the present level, there should be some further rise in actual purchases overseas.

*Intra-European Trade and Payments*<sup>4</sup>

Future progress in solving the French and British dollar problems is likely to be partly at the expense of other western European countries. For, now that the United Kingdom has exhausted its quota in E.P.U. (which happened in May), western Europe is, from the sterling area's point of view, a dollar area,<sup>5</sup> as it had almost become for France, too, before

<sup>4</sup> Trade amongst the countries of eastern Europe is omitted from the discussion because of the lack of statistics.

<sup>5</sup> The Bank of England, indeed, has announced that for the time being permission will be given for the resale to E.P.U. countries, against payment in sterling, of goods bought with dollars. It will be interesting to see whether European countries' import controls will be strong enough to prevent this measure from increasing Europe's imports of dollar commodities.

the extraordinary restrictions imposed in March. It was quite natural, therefore, that many of the import cuts announced by both Governments, as well as by the Governments of the overseas sterling area, should be explicitly aimed at the E.P.U. countries.

The process of passing the buck had already begun in the first quarter of the year and has continued since. With the exception of western Germany, all the E.P.U. creditors had reduced their current rate of surplus significantly. In Italy the turn came in January, in Sweden and Switzerland in February, in Belgium and Portugal in March. Italy, Sweden and Switzerland have lately had deficits, and even Belgium, the most persistent creditor of all, has reduced its current surpluses by two-thirds to a monthly average of less than \$20 million in the second quarter. Only western Germany, among the creditor countries, continues to increase its rate of surplus each month.<sup>1</sup> The sterling area rate of deficit was reduced by two-thirds between December and March but has since, in spite of the import cuts announced, remained around \$50 million, not much lower than the March level.

As these shifts in E.P.U. balances continue, the underlying weakness of other countries, as well as France and the United Kingdom, *vis-à-vis* the dollar area is bound to become more apparent. It will be seen from Table 6 that the improvement in the reserve position of those countries which were able to add to their holdings of foreign currencies between September and March—practically all the E.P.U. countries other than France and the United Kingdom—was in large measure the mere counterpart of the strains on those two countries. Without their earnings of gold from E.P.U. all would have lost hard-currency reserves: western Germany, in fact, did so in spite of its E.P.U. surpluses.

The decline in the volume of intra-European trade which contributed to these shifts in E.P.U. positions is the first that has occurred since the coincidence of the Korean invasion and the foundation of the E.P.U. gave a new spurt to trade. For the first quarter as a whole, the value of exports from the eighteen European countries listed in Table XX to European destinations was, however, only about 7 per cent (or some \$300 million) below the last quarter of 1951, a relatively small fall considering the fact that exports

to the United Kingdom and France account for roughly one-third of all intra-European trade. In fact, the import restrictions in these countries were the most important influence depressing trade within Europe; as can be seen from the figures given below, the O.E.E.C. countries' total exports to the United Kingdom were in March 1952 15 per cent, and those to France as much as 31 per cent, below the average of the fourth quarter 1951. Trade between the other countries fell slightly in January and February, doubtless mainly because of a depressed demand for consumer goods, but recovered in March.<sup>2</sup> This upswing of trade was, however, short-lived, and the value of intra-European trade has since fallen further.

*Value of Exports of O.E.E.C. Countries to :*

	United King- dom	France	Other O.E.E.C. countries	All O.E.E.C. countries
	Index numbers : fourth quarter 1951=100			
1952 January . . . .	92	100	96	96
February . . . .	84	91	92	91
March . . . .	88	69	104	97
1st quarter average .	88	87	98	94
April . . . . .	80	73	94	89

The figures in Table 8 suggest that only two countries—Denmark and the Netherlands—have so far been unaffected by the British and French import cuts (doubtless because much of their trade is covered by long-term food contracts with the British Government). Exports from all the other countries, and notably Italy, have suffered considerably.<sup>3</sup>

*International Commodity Prices*

The downward trend in the prices of internationally traded commodities, which had started in March 1951, continued throughout the first half of 1952, though at a slower pace. By July 1952, the new

<sup>2</sup> March is a longer month than February, of course. In addition certain extraordinary factors affected March figures in the table above. Belgian exports to Portugal, for instance, rose from \$1.5 million in February to \$14.7 million in March: the entire rise represents the delivery of 12,000 tons of shipping (recorded in Portuguese statistics in April). This transaction alone represents about 2 percentage points of the index figure 104 given in the table.

<sup>3</sup> Part, but only part, of the fall in Swedish and Finnish exports can be explained by seasonal factors; an additional element in this case, however, is the decline in the export prices of forest products. Textiles (mainly cotton yarns and cloth) accounted for about 60 per cent of the fall in Italian exports to the United Kingdom and France between the fourth quarter of 1951 and May 1952; the rest of the fall was chiefly concentrated on fruit and vegetables.

<sup>1</sup> This seems likely to continue: the rate of issue of German import licences has recently been falling off.

Table 8

EXPORTS OF SELECTED EUROPEAN COUNTRIES  
TO FRANCE AND THE UNITED KINGDOM*Millions of current dollars ; quarterly rates*

Country	Fourth Quarter 1951	1952		
		March	April	May
United Kingdom <sup>a</sup> . . . .	50	44	39	47
France <sup>b</sup> . . . . .	80	67	69	52
Netherlands . . . . .	112	99	95	125
Belgium-Luxembourg . .	152	113	112	117
Switzerland . . . . .	44	29	27	36
Italy . . . . .	105	53	45	52
Austria, Greece, Portugal and Turkey . . . . .	62	55	..	..
Denmark . . . . .	92	90	78	90
Sweden . . . . .	139	95	94	90
Norway . . . . .	46	52	31	37
Finland . . . . .	101	48	54	46
Western Germany . . . .	164	132	123	122
Total of countries listed	1,147	877	..	..

Source : Foreign Trade Statistical Bulletin, Organization for European Economic Co-operation, and national trade statistics.

<sup>a</sup> Exports to France.

<sup>b</sup> Exports to the United Kingdom.

*Economist* commodity price indicator <sup>1</sup> was 30 per cent lower in terms of dollars than the peak level of 1951, though still 20 per cent above the average of the twelve months ended in mid-1950. The slackening of industrial expansion had reduced the pressure of demand ; perhaps more important, however, and certainly more encouraging for the future, there had been an increase in the world production of most industrial materials. The improvement in the supply situation was such that the International Materials Conference wound up several of its commodity committees and by mid-year was maintaining allocation schemes for only nickel, copper and sulphur among the major commodities. The world's commodity markets have thus been gradually returning to their "normal" pre-Korean functioning. One of the signs of this change is the progressive elimination of the numerous discrepancies between prices in different markets which had developed during the scramble for materials in the

<sup>1</sup> This covers the prices of seventeen internationally traded commodities. Of commodities omitted from the index, the most important are coal, steel, forestry products and hides.

autumn of 1950. Thus, the margins between the domestic and export prices of such commodities as steel, timber, wood pulp and cotton have been reduced, and as a consequence Governments have been forced to reduce or abolish the export taxes which had been imposed as anti-inflationary measures (on timber, wood pulp and paper in the Scandinavian countries, on jute in India and Pakistan, on cotton in Egypt). Similarly, the free market prices for non-ferrous metals, long quoted at premiums of 50 to 100 per cent above the American and British prices, actually fell below them in the spring of 1952, dragging the American and British prices down with them. The only exception is copper, which is still scarce.

Governments have taken a number of measures which quickened this return to "normality". In the United States, the strict controls over the use of rubber and tin have been eased. The London lead market is to be re-opened in October, the Government having apparently taken the view that the resulting invisible exports in the form of commissions would outweigh the direct loss of dollars which might ensue should other countries buy dollar lead for sterling in London. In western Germany all controls are to be removed from steel prices in August ; steel scrap prices had already been freed earlier.

During the first months of 1952, even prices which had kept up while others were falling in late 1951 collapsed. This was so in the case of forestry products and the minor textile materials, jute, hemp and sisal. The price of wool reached a low point in March and subsequently recovered a little, but in July the appearance on the market of the large carry-over stocks of the Latin American countries (which had long been held back in the expectation of higher prices) brought a new setback.

A reduction in the rate of stockpiling sent the price of rubber down in May and the return of rubber trading in the United States to private hands in July forced the price down still further. Because of the artificially low price of synthetic rubber, the price fall has so far brought no increase in the demand for natural rubber, and supply now far outruns demand. International schemes for avoiding what producers call "burdensome surpluses" are once more being discussed for rubber as well as for cotton, tin, tea, wool and sugar.

## II. INTERNAL DEVELOPMENTS IN WESTERN EUROPE

### *Consumption*

The first quarter of 1952, like its two predecessors, was a period of stagnation in nearly all branches of the retail trade and of actual depression in some. In spite of attempts by traders to work up a mood of optimism in the press, there seems to have been little improvement since. Durable goods were, of course, the worst hit : in all except one of the countries for which indices are given in Table 9, the volume of consumption of clothing and household goods appears to have been actually lower in the first quarter of 1952 than it had been two years earlier, before the Korean buying spree. Even in western Germany the excess over the levels of the first half of 1950 is small when compared with the great increase in industrial production and employment since then.

Within the category of durable goods, textile sales, the first to show a fall in 1951, have continued to be the most depressed. Even though retailers' stocks appear to have been cleared in most countries, retailers' buying remained on a hand-to-mouth basis, and manufacturers' stocks of semi-finished and finished goods remained large enough to inhibit them, except in France and Germany, from resuming purchases of raw materials.

Sales of shoes and leather goods in general have revived somewhat in several countries, notably in Belgium, the Netherlands, Germany and Italy. But sales of furniture and household appliances were and remain low : in the United Kingdom, even the upward trend in sales of television sets was broken in the first quarter.<sup>1</sup> It is possible that the general upward trend of housebuilding will bring in its train some revival of purchases of household goods, though much here must depend on the attitude of the monetary authorities to instalment credit.

But it is no longer possible to explain the slump in expenditure on durable goods as the inevitable sequel (precipitated in some countries by a tightening of the credit screw) to consumers' earlier rush to buy while the going was good. It is noteworthy that in several

countries (Belgium, Denmark, Sweden) even food consumption appears to have been less in the first months of 1952 than in the corresponding period of 1950 and that, even when this is not the case, the level was generally lower than it had been in the first quarter of 1951.

### *Retail Prices and Wages*

Not surprisingly, in view of the business climate, movements in both the cost of living and wage rates have so far been smaller in 1952 than at any time since the devaluations of 1949. Textile prices have come down, though not, apparently, as much as the fall in wholesale prices should have permitted ;<sup>2</sup> the prices of food and fuel have risen on the whole. In most countries the net effect in the first quarter was a small rise in the cost of living. In Austria, however, there was even a slight fall, the more significant in that it followed a long period of steeply rising prices.

Changes in wage rates were slight, except in Sweden, where the general wage settlement at the beginning of the year once again resulted in a big increase in all wages and salaries (11 per cent for industrial workers and even more for other classes of workers). In Norway, on the other hand, the increases granted after similar negotiations were small this year, and there was a break with precedent in some industries by the omission of the customary clause permitting automatic adjustment of wages to changes in the cost of living.

Since the end of the first quarter there have been (up to the end of June) a striking fall of 3 per cent in the cost of living in France and an equally striking rise in the United Kingdom. It is paradoxical that both resulted from Government decisions taken in order to reduce inflationary pressures : in the one case the method chosen was to damp down wage-demands even at some cost, in the form of reduced indirect taxes, to the Government's revenue ; in the other case the method was to reduce Government expenditure on subsidies even at the risk of provoking further demands for increases in wages.

<sup>1</sup> Restrictions on new instalment credit do not fully account for this : even sales for cash slumped somewhat.

<sup>2</sup> In France and Iceland there were even rises in retail clothing prices during the first quarter.



**Table 9**  
**VOLUME OF CONSUMPTION**  
1949 = 100

		1950				1951				1952
		First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
<i>United Kingdom:</i>	Food . . . . .	98	98	103	109	102	100	101	104	99
	Drink and tobacco . . .	91	98	109	106	98	102	108	108	97
	Clothing and shoes . . .	87	104	101	124	98	99	80	100	74
	Household goods . . . .	102	104	107	130	117	108	91	106	96
	Travel and entertainment	90	100	115	93	91	101	119	98	89
	Total consumption . .	95	100	105	108	101	102	102	103	94
<i>Netherlands:</i>	Food . . . . .	94	98	105	102	103	100	98	104	100
	Drink and tobacco . . .	90	96	101	109	92	93	87	106	86
	Durable consumers' goods	87	102	114	96	105	84	78	88	73
	Total consumption . .	93	100	108	100	100*	94*	94	98	91
<i>Denmark:</i>	Food, drink and tobacco	91	94	95	98	86	90	89	99	85
	Clothing and shoes . . .	92	109	104	132	86	97	77	113	87
	Total retail sales . . .	91	99	100	114	86	92	84	102	82
<i>Norway:</i>	Food, drink and tobacco	107*	108*	106*	113*	99*	102*	99*	116*	..
	Textiles . . . . .	99*	146*	109*	125*	92*	113*	84*	127*	..
	Total retail sales . . .	95*	111*	106*	117*	94*	105*	97*	120*	..
<i>Sweden:</i>	Food . . . . .	96*	104*	103*	104*	93*	97*	97*	99*	90
	Clothing . . . . .	82*	109*	85*	142*	80*	101*	74*	106*	77
	Total retail sales . . .	90*	104	98*	120*	88*	97*	89*	105*	85
<i>Finland:</i>	Co-operative retail sales	85	105	107	118	86	111	110	128	100
<i>Belgium:</i>	Food (co-operatives) . .	111	112	138	118	137	121	117	133	110
	Textiles . . . . .	87*	108*	109*	92*	100*	86*	77*	97*	78
	Food and textiles combined . . . . .	104*	111*	130*	110*	126*	111*	105*	123*	101
<i>France:</i>	Textiles and shoes . . .	92	108	97	123	110	100	80	120	87
	Other consumers goods . .	98		108		113		120		..
	Total consumption . .	101		105		105		107		..
<i>Switzerland:</i>	Food, drink and tobacco	98	103	106	104	103	102	102	111	105
	Textiles and shoes . . .	94	106	102	156	105	103	89	133	91
	Total retail sales . . .	95	101	103	127	106	104	99	126	101
<i>Western Germany:</i> <sup>a</sup>	Food . . . . .	100		119		109*		117*		} 107
	Beverages and tobacco . .	100		119*		119*		126*		
	Clothing . . . . .	100		144		111*		136*		
	Household goods . . . .	100		146		132*		146*		
	Travel and entertainment.	100		108*		117*		120*		..
	Total consumption <sup>b</sup> . .	100		121*		114*		123		..
		97*	103*	112*	128*	116*	112*	115*	132*	113
<i>Austria:</i>	Food and tobacco . . . .	91	101	117	122	101	108	107	128	97
	Clothing . . . . .	66	84	76	126	88	93	74	129	63
	Total retail sales . . .	80	90	95	123	93	94	92	129*	81

Sources: See "Notes to the Statistics".

NOTE. — Index numbers of retail sales may cover only certain types of shops and may not be representative of retail sales as a whole.

<sup>a</sup> First half 1950 = 100.

<sup>b</sup> See "Notes to the Statistics".

**Table 10**  
**COST OF LIVING AND HOURLY EARNINGS IN INDUSTRY**  
*Percentage changes*

Country	COST OF LIVING					HOURLY EARNINGS IN INDUSTRY				
	Sept. 1950 to Mar. 1951	Mar. 1951 to June 1951	June 1951 to Sept. 1951	Sept. 1951 to Dec. 1951	Dec. 1951 to Mar. 1952	Sept. 1950 to Mar. 1951	Mar. 1951 to June 1951	June 1951 to Sept. 1951	Sept. 1951 to Dec. 1951	Dec. 1951 to Mar. 1952
Austria . . . . .	17	3	15	11	-1	20	7	16	2	0
Belgium . . . . .	4	1	2	1	-1	5	5	1	3	0
Denmark . . . . .	7 <sup>a</sup>	2 <sup>a</sup>	1 <sup>a</sup>	1 <sup>a</sup>	0 <sup>a</sup>	6	0	4	2	0
Finland . . . . .	10	2	4	-3	1	26	0	3	4	1
France . . . . .	9	5	3	7	4	12	8	13	2	1
Western Germany . .	9	4	-1	3	1	8	7	1	2	1
Greece . . . . .	12	-2	-1	5	4	..	..	..	..	..
Iceland . . . . .	14	6	6	2	3	..	..	..	..	..
Ireland . . . . .	3 <sup>b</sup>	6 <sup>b</sup>	2 <sup>b</sup>	2 <sup>b</sup>	1 <sup>b</sup>	6	4	0	4	..
Italy . . . . .	4	4	0	1	1	5	8	1	0	1
Netherlands . . . . .	5	3	0	-2	1	5	0	1	0	0
Norway . . . . .	6	8	2	1	3	10	5	0	6	..
Portugal . . . . .	1	-3	1	1	-1	..	..	..	..	..
Sweden . . . . .	12	4	3	2	1	20 <sup>c</sup>	0 <sup>c</sup>	2	2	12
Switzerland . . . . .	2	2	1	1	0	0	1	2	1	1
Turkey . . . . .	5	-1	-1	3	3	..	..	..	..	..
United Kingdom . . .	5	4	3	2	2	5	2	2	4	2

Sources : In general, the figures on the cost of living relate to mid-month; for more details, refer to Table XIII, from which the data are derived. The figures on hourly earnings in industry relate to end of month.

<sup>a</sup> Month following that shown.

<sup>b</sup> Month preceding that shown.

<sup>c</sup> All the increase in January-June has been allocated to January-March.

### Industrial Production

The levelling-off of consumers' and foreign buyers' demands had already shown their counterpart in a slowing-down and even reversal of industrial expansion in most countries during the second half of 1951. This trend continued during the first months of 1952 :

#### *Increases in Industrial Production over Corresponding Period of Previous Year* (Percentages)

	1951				1952
	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
France . . . . .	14	15	13	8	10
Austria . . . . .	12	18	16	9	9
Western Germany . .	34	28	13	9	6
Italy . . . . .	19	17	15	8	2
Belgium . . . . .	18	22	16	5	0
United Kingdom . .	6	5	4	0	-1
Sweden . . . . .	6	5	5	3	-1
Netherlands . . . .	15	9	-2	-2	-5
Denmark . . . . .	11	2	-0	-3	-7

It will be seen that in only two of the major industrial countries of western Europe was industrial production

in the first quarter of 1952 appreciably higher than in the corresponding period of 1951. The hectic expansion in activity in Belgium had come to an end; the combination of a depressed consumer demand and a shortage of steel still kept British output down; deflation was still operating in Denmark and the Netherlands.

At a time when the composition of industrial output is changing so rapidly, global indices of production are, however, of limited interest. The more interesting fact is that, simultaneously with a decline in the production of a number of consumer goods for lack of demand, the output of two of the basic industries—coal and steel—which had been limited by factors on the supply side, continued to expand.

### Textiles

The deepening of the textile slump can naturally be seen just as easily in the figures of production as in the indices of consumption discussed above. In

almost every country, employment in the textile industries decreased significantly and output fell below the level of the first quarter of 1950. Even in Austria, where inflationary conditions had kept up domestic demand earlier, the wool and cotton industries reduced production by 15 and 20 per cent respectively, and rayon output, which had been helped to find an enlarged outlet by the liberalization of west German imports, flattened out. In the United Kingdom, the cotton industry, which had not been greatly affected by the slump before, reduced its output of yarn by 15 per cent and the comparative steadiness of rayon output proved to be only the prelude to a fall of more than one-third after Easter, when several factories which had been producing for stock for some months closed down.

### Engineering

The stagnation of consumption and exports, however, affected other industries too. The chemical industries, a part of whose output is an input of the textile trades, have almost everywhere ceased to expand since the beginning of 1951. The investment goods industries have been affected to the extent that the depressed industries have drawn in their horns. Those industries making household appliances have been directly affected by the depression of consumer demand. In spite of the fact that these industries are the ones primarily favoured by slowly expanding defence orders, only in France did the engineering industries as a whole significantly increase their output in the first quarter. In the United Kingdom they marked time, in western Germany their output was 2 per cent up, in Italy output was 4 per cent up but still no higher than it had been a year earlier, in Belgium it was 5 per cent down and slightly lower than in the first quarter of 1951.

The French increase appears to have reflected heavy spending by industry and businessmen, partly stimulated by the announcement of increased defence orders. In the United Kingdom engineering production was still held back not by a lack of orders but by a shortage of steel. In Belgium, western Germany and Italy, on the other hand, production in a number of branches seems to have been held back recently by a weakness of domestic private demand.

The example of private car production illustrates conveniently those differences between countries.

In the United Kingdom, factors on the supply side have reduced output by 20 per cent since the last quarter of 1950; exports, on the other hand, remained high until the recent Australian import cuts and the home market continued to be starved. In France, production in the first quarter of 1952 was 20 per cent higher than it had been a year earlier and still rising; exports to destinations outside the French Union had fallen by as much as one-third and the booming home market was absorbing 40 per cent more cars. In western Germany, exports were slightly down and home demand was not sufficiently strong to do more than just offset this, while in Italy exports had fallen somewhat and home demand was down by one-third.

*Production and Exports of Passenger Cars*  
(Thousands)

	Production		Exports	
	First quarter 1951	First quarter 1952	First quarter 1951	First quarter 1952
United Kingdom . . .	123	114	89	101
France . . . . .	77	93	24	20
Western Germany . . .	67	68	25	22
Italy . . . . .	32	23	7	6

### Steel

All the major producing countries increased their output of steel in the first quarter of 1952 as compared with the preceding quarter, and except in Belgium-Luxembourg the upward trend has continued since. The increase in ingot production over the preceding quarter amounted to 7 per cent in western Germany, 4 per cent in France, 3 per cent in the United Kingdom and slightly over 2 per cent in Belgium. The rise in British production still left output below the peak level of 1950, but was sufficient, together with imports from the United States, to ease considerably the situation in the engineering industries, which had for some months been held back by the inability of the British industry to adjust itself quickly enough to the fall in supplies of scrap from Germany. Elsewhere the rate of production was in general much above that of the first quarter of 1951: by 10 to 15 per cent in France and Belgium, and by as much as 30 per cent in western Germany. All of this increased output of steel found a ready market.

Nevertheless, the pressure of world demand on steel supplies had been generally expected to weaken considerably in the second part of 1951, because of the reduced income of the primary producing coun-

tries, increased steel production in the United States and, in the particular case of Europe, the prospective reversal of the net flow of steel across the Atlantic. During the first quarter of the year there were many signs both of the existence of these expectations and of their validity. The highly sensitive free market export price for Belgian bars weakened, and in Belgium, Luxembourg and western Germany there was a sharp contraction in orders outstanding, a shortening of delivery delays and some reduction of actual export prices; it was even reported that some marginal producers in Belgium and Luxembourg were contemplating reducing output. Outside Europe, competition by North-American steel exporters was said to be recovering its old keenness.

The whole of the picture just described was substantially altered by the advent of a nation-wide trade dispute in the United States steel industry, which finally resulted in an almost complete shut-down of production for seven weeks in June and July. The potential output lost through the strike may be put at nearly 20 million tons. It is evident that this strike in the United States might well go so far as to halt completely the softening tendency in world steel markets for the rest of 1952.

In western Europe, the increases in ingot production between the fourth quarter of 1951 and the first of 1952 were achieved mainly by increased production and consumption of pig-iron: except in Belgium and Luxembourg, home supplies of scrap did not significantly increase and net exports from western Germany slightly declined still further. In the United Kingdom, western Germany and France, the ratio of scrap consumption (in blast-furnaces and steel furnaces) to total crude steel production therefore continued to fall: in Belgium and Luxembourg, the ratio was sustained by an increase in home supplies of scrap which had occurred in the second half of 1951 and by the fact, already noted above, that steel output rose relatively slightly. After the end of the quarter, an event of major importance was the freeing of the buying price for ferrous scrap in western Germany. Nearly all purchases will now be made at a price which seems to have settled down at about 170–185 DM: that is, at about double the old official price, but only a little below the former black-market price at which a high proportion of previous sales had in fact been occurring. It is hoped that this measure will improve the supplies of scrap, but it

does not seem likely to increase exports. The home-market price of finished steel remains controlled and tied to the price of scrap. The new scrap price involved a rise in finished steel prices of from 10 to 20 per cent on 10 April, including a surcharge which can be maintained so long as the price of scrap does not fall below 150 DM. More recently it has been announced that from August onwards all finished steel prices in western Germany are, for the first time for fifty years, to be freed.

The largest increase in pig-iron production occurred in western Germany: its production in the first quarter reached a new rate of over 12 million tons, that is, 800,000 tons or  $7\frac{1}{2}$  per cent above the rate of the fourth quarter of 1951. In the United Kingdom, pig-iron output in the first quarter reached a new rate of 10.5 million tons compared with the figure of 9.7 to 9.8 million tons, at which production had stagnated from 1949 up to the end of the third quarter of 1951. There are still a number of new blast-furnaces scheduled to come into production in Great Britain during the latter part of 1952, so that the planned increase in capacity of one million tons between 1951 and 1952<sup>1</sup> should fairly easily be achieved, and there is a good prospect that by the end of the year crude-steel production will be restored to the rate obtaining in the first half of 1950, before supplies of scrap from Germany began to decline.

The tendency to rely on pig-iron for each further increase in crude steel output throughout western Europe was inevitable. From now on, output of steel in times of peak demand will depend very largely on the rate at which blast-furnaces can be built and supplied with iron ore, and on the rate at which coke ovens can be built and supplied with coking coal. In France, coke supplies remain a serious limit on steel production, and in the United Kingdom, although coke production has risen and exports were (in the first quarter) allowed to rise also, home supplies of blast-furnace coke may prove inadequate by the end of the year.

#### Coal

The improvement in the coal situation already noted<sup>2</sup> continued throughout the first half of 1952.

<sup>1</sup> See *Economic Survey for Europe in 1951*, page 57.

<sup>2</sup> *Economic Bulletin for Europe*, Vol. 4, No. 1, pages 15–16.



Consumption was lower than last year as a result of the coincidence of mild weather with a slowing-down of industrial expansion. Demand fell off even more as a result of a change in the attitude of buyers who were bemused, as in 1949/50, by the apparent plenty. Thus, it is said that in France household consumers' spring purchases were, in May, two months behind previous years' schedules: this was in part because of the delay in announcing summer price reductions. In western Germany, consumers are said to have become more insistent on getting the particular quality of coal which they prefer. In Belgium, purchases by industry and by households were in the first four months of the year 22 and 14 per cent respectively less than they had been in 1951. Even in the United Kingdom, where purchases had been kept up well enough to raise merchants' and consumers' stocks by mid-year to a level one-quarter higher than a year earlier, deliveries during the spring months were less than in 1951 and there were reports that merchants were, for the first time since the war, having to practise salesmanship.

The level of Polish export prices fell by some 20 per cent (though still remaining above British and German prices), but domestic coal prices did not show any repercussions of the supply situation. In western Germany, the internal dual price system was ended and a single price fixed which, on the average, comes to DM 3 per ton or 6 per cent above the average of the former two prices. As utilities and food industries are no longer privileged, the main brunt of the rise will fall on them. On the other hand, in France, a reduction of coal prices by some 200 francs per ton, or 4 per cent, took place as part of the Pinay Government's direct pressure on industrial prices.

To some extent this easing of the situation is merely a reflection of western Europe's failure to raise industrial production to the extent contemplated when relatively ambitious targets were under discussion some months earlier. But there are more encouraging factors on the supply side. The number of miners in western Europe has been on the increase for some months now, mainly because in Great Britain, where manpower difficulties have been particularly acute in the past, there was an increase of 16,000 or 2 per cent in the labour force between mid-1951 and mid-1952.<sup>1</sup> It will doubtless have been noted by those

<sup>1</sup> The whole of the extra miners were British workers: the half-hearted attempt to employ Italian immigrants came to an

end in May, when the National Coal Board, encouraged by the increase in British recruitment, finally accepted defeat at the hands of the local miners' lodges and gave notice to those Italians who were already at work in the pits or preparing to start work.

responsible for wage-policy that most of this striking increase came during a period when, for the first time since the war, an increase in miners' wages was not quickly followed by similar rises in other workers' earnings. The rise in unemployment in textile mills was probably also a directly contributory factor in some districts. The immediate result of this influx of largely "green" labour has been to raise output by a somewhat smaller proportion than manpower, but the British Government evidently expects that greater increases in output will follow next year, and has forecast for 1953 a rise in output per man-shift of 3 per cent over the 1951 level.

The immediate result of this increase in British output has been to increase export availabilities, and the official target for exports in 1952 has been inched upwards in successive ministerial announcements from the 7¾ million tons of 1951 to 15½ million tons.<sup>2</sup> This increase should bring the United Kingdom the equivalent of some \$120 million in the current year, and, because British coal is cheaper in Europe than United States coal, will save European countries even more. Even before it was clear that more British coal would be available, Europe's demand for American coal had fallen.

*Europe's Imports of Hard Coal from the United States*  
(Million tons)

	1951	1952
First quarter . . . . .	2.9	9.3
Second quarter . . . . .	5.7	4.3
Third quarter . . . . .	7.0	
Fourth quarter . . . . .	9.4	

France still continues to import coking coal from the United States, but the main buyer, western Germany, is to cut down its American imports to one million tons in the third quarter of the year.

Only one country stands to suffer from these changes—Belgium, traditionally the marginal producer. In spite of some increase in exports, Belgian pithead stocks have been rising rapidly since March and though, at 1.5 million tons, their level was still, at the end of June, well below the peak level of

end in May, when the National Coal Board, encouraged by the increase in British recruitment, finally accepted defeat at the hands of the local miners' lodges and gave notice to those Italians who were already at work in the pits or preparing to start work.

<sup>2</sup> Both these figures seem to include about 1½ million tons of slurry.

3 million tons reached in 1949, difficulties in financing further rises may well cause producers to curtail output in the second half of the year. Should this happen, Europe might lose as much as one million tons of coal in the current year. It is unclear, in the absence of firm figures of consumers' stocks, to what extent the Belgian Government could have prevented this by keeping Belgian consumers shorter during the winter and thus freeing more coal for export at a time when it was easy to sell. It is uncertain, too, how much Belgian exports could be increased further if prices were reduced.<sup>1</sup>

What is clear is that European countries, if they do not take some co-operative action, may well lose even more coal in future periods of bearish expectations and once again be forced back on American imports the moment buyers' expectations shift upwards. The Belgian coal industry, if it carried out its investment plans, could probably increase its output by 4 per cent a year during the next few years. This investment would not necessarily enable the Belgian steel industry to do without imported coal, as indigenous supplies of coking coal may be inadequate, but would rather have the effect of adding to the Belgian export surplus of coal. This coal is expensive to work, however; it is thus only too likely that in future, as in 1949 and again now, the Belgian industry will bear the brunt of any curtailment of orders in Europe. In these circumstances, it is possible that neither Belgian capitalists nor Belgian workers will be persuaded that the coal industry is a good risk, and Europe may well lose coal which will be badly needed if industrial expansion is to continue after the present lull. It seems that western Europe may be able to avoid this danger only by working out an international scheme for removing part of the financial burden of carrying stocks from the shoulders of individual producers.

There has already been a false dawn of plenty in the coal fields once since the war: it would do lasting harm to the possibilities of European expansion if either the coal-producing or the coal-importing countries lost their nerve now and relaxed their efforts to raise the level of output.

<sup>1</sup> It is symptomatic of the degree of disorganization of markets that in the coal-year 1951/52 the recorded average value (c.i.f.) of Belgian coal imports—of which a large proportion was good coking coal—was lower than the unit value (f.o.b.) of Belgian coal exports, which were generally of lower quality.

### *Building*

The seasonal rise in building unemployment was in general somewhat greater during the winter of 1951/52 than in other recent years. Nevertheless, construction activity seems likely in most countries to be higher in 1952 than in 1951. There is evidence that, at any rate in western Germany, Belgium and Denmark, defence orders are expanding. More important, in several countries where housebuilding had for several quarters been stable or declining, the number of houses under construction is, or soon will be, on the increase. Thus, in the United Kingdom, though programmes of factory and school construction have been cut, the Government has actually encouraged an increase in housebuilding, and both the number of workers engaged on house construction and the number of new dwellings begun were greater in the first quarter of 1952 than at any time since 1949.

In Norway, the effects of the easing of credit restrictions were already obvious by the end of 1951, and in both the winter quarters the number of dwellings under construction was nearly twice as high as it had been a year earlier. Since then there has been some tendency to reduce the volume of housing work, not in order to deflate total building activity but in order to divert timber and manpower to industrial building. In Denmark, the number of dwellings begun increased by one-half after the easing of credit in August and for the first time since the spring of 1951 the number completed fell short of the number on which work was started. In the Netherlands, where deflation had been maintained the longest, the first quarter saw a rise of about 45 per cent in the number of houses started, and in the near future it will not be finance but licensing restrictions recently re-imposed in the interests of orderly planning which will limit new housing work. In Belgium, as part of a general wage settlement, employers have recently undertaken to take up bonds in two public housing finance corporations to the extent of 10 per cent of their distributed profits earned in 1951, and this should permit an increase in house construction. In France, the trend of housebuilding is slightly upward; the blocking of investment credits decided on at the time of the budget, though it will not reduce the number of dwellings completed before the end of the year, may by that time have reduced the number of houses under construction. The Italian plan,

conceived in 1950, for building 662,000<sup>1</sup> rooms remains unchanged; as the programme gathers speed, building activity should increase. In western Germany, finance is the bottleneck; nevertheless the number of houses built should not be less than the achievement of 1951.

### *Policies*

There have been no major changes of policy in western European countries since the last issue of this *Bulletin*. Such new measures as have been taken have represented short-period adaptations of existing policies to changing circumstances. In several countries where rising foreign exchange reserves have had their counterpart in falling domestic demand (Belgium, the Netherlands, western Germany) there have been small reductions in interest rates. Small reductions in sales taxes have been made, either to keep retail prices down (in Finland) or to reduce sectional unemployment (in the Netherlands and the United Kingdom). Some increases in building subsidies or licences have been granted on employment grounds (Belgium, Denmark, the Netherlands). In Belgium, the simple result of a complicated transaction involving the International Monetary Fund, the European Payments Union, the Belgian Government and the central bank is likely to be some expansion of government expenditure. Only in the case of the Netherlands, however, can it be said that there has been a significant swing of the pendulum from a deflationist to a mildly expansionist policy.

In two countries where until the end of 1951 inflation had reigned more or less unchecked—Greece and Austria—Governments have, so far with some success, striven for stabilization by fairly orthodox deflationist measures: increases in taxes, severe decreases in public investment (and in Greece, cuts in Government current expenditure) and tighter control of credit. In Finland, the price stabilization programme, started in mid-1951, has so far been strikingly successful, and the Government has felt sufficiently confident to increase the flow of building licences in some districts with high unemployment. No progress, however, has been made in solving the agricultural price-parity question, the reef on which the programme is always in danger of foundering.

<sup>1</sup> By March 1952, just over 100,000 rooms had been completed.

There remain for further comment the changes in policy, both dramatic in their impact, in France and the United Kingdom, which were already discussed in the last issue of this *Bulletin*.

### *France*

There can be little doubt that the "Pinay experiment", thanks partly to the vigorous publicity which has been one of its important elements, has so far produced substantial results in stopping, at least temporarily, the cumulative price-wage spiral. The cost of living, which had risen uninterruptedly from July 1950 to February 1952, was brought down by 4 per cent between February and June. The sliding scale for wages has been conceded, but in a form which prevents any automatic increase in basic wages unless the cost of living rises by 4 per cent above its June 1952 level. Some import duties on some foodstuffs were reduced, coal prices were reduced by Government order, electricity and gas tariffs were prevented from rising, as had been intended, steel prices were reduced, and in the atmosphere thus created attempts were made to induce industrialists and traders to reduce their selling prices. Recently, the price of wheat was, for the first time for seventeen years, fixed at a level no higher than that of the previous year. The Government was greatly assisted in its efforts, of course, by the downward trend in world prices which had begun to affect internal wholesale prices in January, by the depressed condition of the textile trades and by the delayed action of the credit restrictions initiated in October 1951.<sup>2</sup> Its own main contribution was at first probably psychological: the spectacle of a determined Government itself increased confidence in the franc.

Even so the Government, when launching its new loan at the end of May, thought it wise not to overestimate this newly-found confidence, and gave subscribers a hedge against any further depreciation of the franc by tying the redemption value of the loan to the open market price of the gold napoleon,<sup>3</sup> the form of gold which, because it is the most conve-

<sup>2</sup> The volume of bank credit to individuals and business firms increased by an average of 6 per cent a quarter in the first nine months of 1951, by 18 per cent in the fourth quarter, by 8 per cent in January and February, and since then has fallen slightly.

<sup>3</sup> Should the franc depreciate in terms of gold, the investor loses none of his capital; should it appreciate, the Government loses.

nient for the small saver, commands the highest premium over the official price. The offer of a loan on such terms seems likely to spoil the market for future loans of a more orthodox type and was therefore a serious step. Nevertheless it seems that the results disappointed some expectations: when the loan was closed after seven weeks, some 195 billion francs of new money (as distinct from the proceeds of conversions of existing loans) had been subscribed, 15 billions of it in the form of gold. The private gold hoards of Frenchmen were thus reduced by a negligible percentage. It remains to be seen whether any greater success will attend the second such loan which is contemplated for the autumn when the farming community, which took up little of the first loan, is flush with cash from its crops.

In the meantime, the budgetary position remains very tight. There is no margin in which to accommodate unforeseen increases in current expenditure or to finance possible shortfalls in tax receipts or defence aid. Already the Treasury has incurred a further, though admittedly small, charge on its receipts<sup>1</sup> through the extension of the policy of subsidizing exporters which was begun by the Faure Government in February. All in all, it seems that little of the loan proceeds will be available to unfreeze the investment credits blocked in March.<sup>2</sup>

#### *The United Kingdom*

As was pointed out in the last issue of this *Bulletin*, the British budget proposals involved the taking of two separate risks. In the first place, a budget which on balance increased total income after tax at a time when imports were to be cut and Government expenditure increased would tend to create an inflationary gap. Second, a budget which on balance redistributed income against the poorer classes and raised the cost of living would run the risk of touching off the fuse of demands for increased wages, and so adding another loop to the price-wage spiral. Some of the subsequent concessions made by the Government—the postponement of the full threatened reduction in the food subsidies and the slight abatement of

previously announced rises in transport fares—suggest that increasing attention has been paid to the second of these dangers. The net effect of the concessions made has, however, undoubtedly been to increase, though only slightly, the first of them. The further slowing down of the defence programme announced in July (on which there is as yet no precision) is likely to improve the balance of payments by freeing resources for exports rather than to alleviate domestic inflationary pressure.

The Government's strategy now seems to be to limit further rises in food prices until such time as they can be offset by the falls in the retail prices of manufactured goods which the downward movement of raw material prices should permit, and in the meantime to hold off wage-increases by appeals for moderation in demands. On the wage front, moral suasion, at a time when there is a deflationary atmosphere in a number of consumer goods industries<sup>3</sup> and in the distributive trades, has so far met with a good deal of success, and the index of wage rates has risen only moderately in 1952 despite the sharp increase in the cost of living. Large claims from the miners and engineering workers are now being vigorously pressed, however, and the agricultural workers have been granted an increase which has brought pressure for higher agricultural prices.

Outside the United Kingdom, the purely fiscal measures of the Government have been less discussed than the dramatic change in credit policy made in two stages in November 1951 and March 1952. Considered by itself, this might well be interpreted to imply a return to a classical money market policy—that is, an intervention in the economic system at a single point designed to change the cost of borrowing money without any further interference to influence the direction of the shift in resources which must follow.

The other actions of the Government suggest that this is hardly the case. The form of investment most sensitive to changes in interest rates, house-building, has been deliberately insulated from the recent increases. The operations of the monetary authorities have not so far been pressed hard enough to raise long-term rates of interest, as measured by yields on Government securities, by more than about  $\frac{1}{2}$  per

<sup>1</sup> Estimated at 50 billion francs for 1952.

<sup>2</sup> Nevertheless, ways seem to have been found—not excepting some borrowing from banks—to prevent the cuts in, and blocking of, credits from having an immediate effect on any major public investment project except perhaps the starting of the Fessenheim barrage. This is encouraging from one point of view, but works against the Government's policy from another.

<sup>3</sup> The fall in retail sales of durable goods has already brought wage reductions in some branches of the distributive trades: these must be almost unique in British post-war history.



cent.<sup>1</sup> Bank managers' judgments on applications for loans have been much hemmed in by instructions as to priorities. The Government has, moreover, shown clearly by its (admittedly small) purchase tax concessions to the hard-hit textile and furniture industries that it is not willing lightly to allow large-scale unemployment in any sector of the economy, whether caused by a hard-money policy or by other factors.

The domestic effects of the new policy so far may be summed up as a small reduction of bank advances to industry<sup>2</sup> (partially offset, at any rate

<sup>1</sup> Long-term rates rose, without any noticeable effects on investment decisions, by about 1¼ per cent between the abandonment of the "ultra-cheap" money policy in 1947 and the rise in Bank rate in the autumn of 1951.

<sup>2</sup> The reduction was achieved in this instance by exploiting bankers' conventional views about the justifiable level of liquidity ratios, which were reduced by a funding of Government short-term debt. This method, which involved of course a small increase in the cost of Government borrowing, proved more effective than the appeals to bankers which had been relied on earlier.

temporarily, by higher seasonal borrowing by the Treasury) and a fall in the value of securities. The one has doubtless encouraged the liquidation of some stocks, though at a time when there was already considerable pressure to reduce inventories, and so may have hastened downward movements of some retail prices. The other, together with restrictions on instalment credit, has brought down considerably the prices of secondhand cars and houses and reduced the propensity to buy durable goods, whether for investment or for consumption.

The main achievement of the dearer money policy so far, however, has probably been in helping to stem the outflow of capital from the United Kingdom. It has thus helped to give a respite on the balance-of-payments front. But from this point of view it may prove to be, like the French Government's gold loan, an expedient not without some risk in that it encourages speculators to put up the price they feel entitled to for demonstrating willingness to hold the currency.

### III. DEVELOPMENTS IN EASTERN EUROPE

Industrial production in the eastern European countries continued to expand rapidly during the first quarter of 1952; recorded increases over the level of the corresponding period of 1951 averaged about 20 per cent.<sup>3</sup> The global plans were in each case just about fulfilled. The areas of under-fulfilment were mainly situated in the basic industries: hard coal, pig-iron and steel in Czechoslovakia and Poland; fertilizers in eastern Germany; heavy machinery in Czechoslovakia, eastern Germany and Hungary. The output of each of these products increased substantially, as did that of electric power throughout the area, but not enough to prevent shortages.

In the field of wages and prices there were a number of changes. The Governments of Rumania, in January, and Bulgaria, in May, introduced monetary reforms on the pattern pioneered by the Soviet Union and Poland. These in effect involved discriminatory confiscation of the cash holdings of certain classes, their object being to reduce total liquidity and infla-

tionary pressure. The Rumanian reform seems to have been less than a complete success: the farmers who lost their existing holdings of cash have been able partly to replenish them since by selling foodstuffs on the free market at high prices.

In Czechoslovakia, the same goal—the mopping-up of surplus purchasing power—was attacked from another angle. Rations available at low prices were reduced in quantity and supplies to the "free" market were increased. Similarly, in Poland, where there seems to have been an actual fall in the supply of some consumer goods,<sup>4</sup> rationing was re-introduced, the rationed goods being sold at the equivalent of the prices previously ruling in the "free" market; the free prices rose further in sympathy. The developments in these two countries in 1952 are strongly reminiscent of the evolution in Hungary a year earlier. In Hungary, the dual price system was abolished in December 1951, and wages and prices have remained

<sup>3</sup> These figures are likely to overstate the rise in final product: neither their coverage nor the degree of duplication remains constant from quarter to quarter.

<sup>4</sup> In 1951, a system of compulsory deliveries by farms of bread grains and potatoes was introduced: this has since been extended to cover meat and milk.

fairly stable since. In eastern Germany there have recently been slight decreases in retail prices, and there appears to have been some shift of real income towards wage-earners.

In all these countries, both the scarcity of basic materials, in spite of substantial increases in their production, and the periodic necessity to eliminate consumers' purchasing power appear to stem from the same cause: the ruthless pressure to increase the output of the metal industries as part of ambitious defence and investment programmes.

In Yugoslavia, an increase in exports of non-ferrous metals and timber, coinciding with a decline in imports, brought about a favourable balance of

trade in the first quarter of the year for the first time for some months. The reduction in imports of raw materials, however, affected pig-iron and steel production unfavourably and necessitated short-time working in a number of industries. The good harvest of 1951 helped the Government in its efforts to reduce prices, and the retail price index in the first quarter of 1952 was 9 per cent lower than in the previous quarter, and 30 per cent lower than a year earlier. The greater part of the reduction was in food prices and the industrial workers' gain in real income seems to have been partly at the expense of the peasants. Unfortunately, prospects for 1952 are poor because of drought and the import of wheat, which is already going on, may have to be increased.

## TAXES ON WAGES OR EMPLOYMENT AND FAMILY ALLOWANCES IN EUROPEAN COUNTRIES

*This is the second of a series of studies on problems of taxation and public expenditure in European countries. The present article analyses the direct taxes paid and family allowances received by the working classes, as well as taxes paid by the employer which enter into labour costs. It is hoped that future issues of this Bulletin will include an article on the financial aspects of social security schemes and another dealing with indirect taxes and price subsidies. Only after these two studies have been completed will it be possible to assess the magnitude of the total tax burden on the working classes and the total benefit which directly accrues to them from public expenditure.*

### 1. INTRODUCTION

In an earlier article<sup>1</sup> the main features of the tax structures of European countries<sup>2</sup> and changes in these structures were analysed. The examination disclosed two underlying, and sometimes conflicting, long-term tendencies: first, there has been a shift towards those taxes which fall on the well-to-do members of the community and, secondly, as the revenue requirements of the modern State have grown, the tax collector has shifted his attention to new forms of wealth and has gradually discarded ancient and archaic taxes which yielded only negligible receipts.

The most significant of the great changes brought about in forms of taxation during the nineteenth and the early years of the twentieth century have been the replacement of taxes on property or status by those on persons, and the abandonment of taxes falling on the necessities of life, which were oppressive on the poor, in favour of taxes on semi-luxuries. Since about the time of the first World War, however, there has been a distinct increase in the amount of taxation paid directly by wage-earners,<sup>3</sup> as well as in taxes on

wages or employment which are paid by employers and which ultimately also fall in the greater part on wage-earners.

With the rise of modern industry, wage-earners<sup>4</sup> became the largest single class in most western European countries, in some instances comprising over one-half of the gainfully occupied population,<sup>5</sup> and, moreover, real wages per worker have risen considerably over the last fifty years both in absolute terms and (though not everywhere) in relation to other incomes. It was unlikely that such a large share of the national income should go untaxed, and also, in the now changed conditions, it became feasible to collect both direct taxes from wage-earners and taxes relating to wages from employers. Although this development in taxation has taken place largely for revenue reasons, it appears to be broadly consistent with one of the main aims of public finance in most countries—the mitigation of the inequality of the distribution of incomes through the intervention of the State—since the amount of incomes redistributed from other classes in favour of wage-earners has generally increased. While it is true that the contribution made by wage-earners to the finances of the State has increased, public expenditure directly benefiting these classes has, on the whole, increased even more.

With the growth in the size and income of the working classes, a tendency to redistribute incomes within these classes has developed. Income is trans-

<sup>1</sup> "Changes in the Structure of Taxation in Europe", *Economic Bulletin for Europe*, Vol. 2, No. 3. (January 1951), page 58.

<sup>2</sup> Eastern European countries were not considered on the ground that in those countries "the distribution of income is now mainly influenced by other and more direct means, and taxation has been merged with price and wage policy. Tax policy has thus come to play a less important role, and an appraisal of it could be made only as part of an integrated study of the new economic structures of these countries." For the same reason, the present article also excludes those countries from its scope.

<sup>3</sup> Throughout this article, the person legally responsible for bearing the tax is regarded as the taxpayer, even if the tax is stopped at source and the taxpayer in effect receives his income net of tax. The deduction by the employer, from wages due, of taxes payable by the worker will be discussed when dealing with methods of tax collection.

<sup>4</sup> The term "wage-earner" is used here to include all manual workers and also lower-paid non-manual workers.

<sup>5</sup> In the United Kingdom, for instance, manual wage-earners account for about two-thirds of the occupied population.

ferred from those in regular employment to those who are sick, unemployed or old, and from the unmarried to those with large families. As one result of these changes, the regularly employed worker has come to occupy an intermediate position in the tax pattern between those in receipt of State support (the main beneficiaries of the growth in social services) and the well-to-do, who are the main net losers in the process of redistribution.<sup>1</sup>

### *The Scope of the Article*

Income tax—the term in effect denotes a group of taxes known under various names in the different countries of Europe—falls naturally within the scope of this article, but only those aspects of it which are relevant to the raising of revenue from wage-earners.<sup>2</sup> Income taxes are levied to-day by all western European States, but a fairly large proportion of the working classes is not affected by them. In some countries income taxes are levied by local authorities also, and these taxes are paid by far larger numbers.

In addition to income taxes, an important role is played in modern financial systems by contributions to social security funds by workers and employers.<sup>3</sup> Since the initiation of social insurance schemes forty or fifty years ago, it has been the custom to set up distinct funds fed by contributions from three parties—the insured, their employers and the State—in greatly varying proportions in different countries. Whatever the legal connection between contributions and benefits, or the provisions made for the autonomy of these funds, the share of the three parties in the finance of social security is, in fact, determined on political rather than actuarial grounds, and the funds are in practice treated very differently from private insurance funds. Moreover, those making compulsory contributions regard them as analogous to taxation, and consequently they have been included within the scope of this article.

<sup>1</sup> One incidental result of the fact that direct taxation, which is normally progressive, has reached into the lower income groups is that the regressive nature of the existing indirect taxation has been offset, at least partially, and total taxation made progressive throughout a wider range of incomes.

<sup>2</sup> In general, only a fraction of total receipts from income tax comes from the lower income groups. In the United Kingdom in 1949, for instance, those with incomes under £500, who comprised about 85 per cent of the population, paid 12 per cent of the total of income taxes (including surtax and profits taxes) or 19 per cent of such taxes falling on personal income.

<sup>3</sup> Contributions to these funds were not covered by the earlier article in the *Economic Bulletin for Europe*, Vol. 2, No. 3.

From many viewpoints, employers' contribution to social security is in effect a tax on the wage-bill, although usually not a simple proportional tax. With the success of these contributions, it was only one step further to introduce, as has been done in several countries, payroll taxes (which are a fixed proportion of the wage-bill) independently from social security schemes. Such taxes are also considered here, but their role in the tax pattern of European countries is relatively small.

The inclusion of social security contributions raises awkward problems, and it could be argued that social security cash benefits ought also to be taken into account. This argument is valid when considering the working class as a whole (some members of it paying contributions and others receiving benefits) or a worker throughout his life (who at one time pays contributions and at other times receives benefits), but is not so relevant to the actual position of an individual worker, which is the subject of the present article. Tax payments are for him a reality, but the benefits which he would receive when sick, unemployed or old are a contingent asset which could not be imputed and discounted without making a number of assumptions. There is, however, one exception: family allowances, which are paid at regular intervals in respect of children, can be regarded as an addition to wages in very much the same way as taxes are a deduction. A further logical reason exists for the inclusion of family allowances within the scope of this article, in that income tax makes an allowance for the size of the family: it seems justifiable to take into account not only this implicit family allowance (that is, the reduced payment of tax), but also explicit cash benefits.

The choice of items selected for the present study is clearly arbitrary and must be determined by practical considerations. From the point of view of the worker, the benefits provided by the State are substitutes for private expenditure or for saving; it could be argued that, for instance, free health services or food subsidies should also be included in this study.<sup>4</sup> Further,

<sup>4</sup> In particular, food and rent subsidies (or controls), where they exist, have an important bearing on the welfare of the worker. These expenditures, however, are analogous to negative commodity taxes and their discussion has been relegated to a separate article to be published in the future. A less important case arises where the worker receives vouchers with which he can buy certain commodities, such as children's clothing, at a reduced price.



only compulsory contributions are here included,<sup>1</sup> but, from the point of view of the worker, they may differ little from, say, trade union fees, which are not legally compulsory. From the point of view of the employer, the taxes included represent payments to public authorities which, in their economic incidence, are very similar to other legally compulsory expenses, such as the provision of safety devices or of welfare services in factories, all of which the employer regards as part of the cost of employing labour. An interesting example is the expense connected with workmen's injury: the employer is compelled in one instance to compensate the worker for injury, in another to insure with a private company against the risk, and in yet another to contribute to public funds for the same purpose; but, in general, only the last type of contribution has here been taken into account.<sup>2</sup> On the other hand, in most countries the employer grants the worker holidays with pay, and where, as in Belgium, he makes a contribution to public funds for the same purpose, this is regarded as an addition to wages rather than as a tax.

Section 2 of this article gives a brief indication of the historical development of taxes on wages and employment and of their present structure, section 3 discusses the methods by which these taxes are assessed and collected, and the last section analyses some of the economic effects of the taxes.

#### *The Presentation of the Data*

The statistical investigation of taxes and family allowances has been carried out in respect of 1950 for eleven relatively industrialized countries of western Europe, and in respect of the period 1911 to 1950 for a smaller number of countries. To permit international comparisons, the amounts of taxes and family allowances are expressed as percentages of selected incomes, and these incomes are taken in terms of multiples of national income per head of population. It might be assumed that a man earning, say, twice the average national income per head enjoys in different countries, or at different times, a roughly similar social position.

<sup>1</sup> In the northern European countries, the worker may contract out from part of sickness insurance and from the church tax, but the option is hardly exercised within the range of income considered here, and this feature is therefore ignored.

<sup>2</sup> The reasons for this are practical rather than theoretical, since reliable statistics are not usually available except where contributions are made to public funds. For Belgium, where the funds are private but statistics are published, workmen's injury insurance is included.

In most countries, workers in different industries or occupations are not taxed at the same rate: for instance, certain categories are often outside the scope of insurance; in such cases the calculations given here refer to the most common type—the worker in manufacturing industry. Further, variations within countries exist not only in rates of local income taxes, but in the three northern countries and Belgium also in those of the State income tax, and in France and Denmark in those of family allowances; in these cases, the calculations refer to rates in a populous city or district.

It is instructive to examine the relationship between the average wage of an adult man in industry, assumed to be fully employed throughout the year, and national income per head of population. This relationship is indicated by the following figures for 1950; the second column shows the results for a man with three children who receives family allowances from public funds:<sup>3</sup>

#### *The Ratio of Industrial Wage to National Income per Head*

	<i>Excluding family allowance for 3 children</i>	<i>Including</i>
France . . . . .	1.3	2.4
Belgium . . . . .	1.6	2.0
Sweden . . . . .	1.7	1.9
Switzerland . . . . .	1.7	1.9
United Kingdom . . . . .	1.8	1.9
Netherlands . . . . .	1.8	2.1
Denmark . . . . .	1.8	1.9
United States . . . . .	2.0	2.0
Norway . . . . .	2.2	2.3
Western Germany . . . . .	2.3	2.3
Austria . . . . .	2.6	2.9
Italy . . . . .	2.7	3.5

Although these figures are subject to a large margin of error,<sup>4</sup> it appears that, on the whole, the ratios are higher for countries with a larger proportion of population in agriculture, since incomes in agriculture are generally lower than in industry, especially in the more agricultural countries. Further, the ratios are inflated for countries with relatively large numbers

<sup>3</sup> For details of the calculations, see Appendix. The difference between the two columns of figures represents family allowances only, as it was necessary to assume that the average man with a family receives the same wage as the average man without a family.

<sup>4</sup> In particular, for some countries the average wage of all male workers was taken instead of that of adult men only. In such instances the figures are low, perhaps by some 20 per cent.

of unemployed, children, old people or other categories of unoccupied persons; these factors are strongest in Italy. France appears to be an exception, mainly because industrial wages are low in relation to the incomes of peasants and small employers, who represent a comparatively large proportion of the population.<sup>1</sup> Industrial wages in western Germany, on the other hand, appear high as, in addition to the general causes mentioned, industrial workers (to whom the figures refer) are well paid as compared with workers in other activities. If account is taken of family allowances in respect of three children, the ratios show a greater regularity as family allowances in France are particularly large (in terms of national income) whilst in western Germany no family allowances are paid from public funds.

<sup>1</sup> Further, the proportion of women's to men's wages appears relatively high in France.

## 2. HISTORICAL DEVELOPMENT AND PRESENT STRUCTURE

Parallel with the industrialization of European countries in the nineteenth century, direct taxes on the working classes practically disappeared and the burden of taxation was shifted more to those with higher incomes, while at the same time taxes became increasingly related to the actual size of income. In a static and largely agricultural society it is convenient and reasonable to relate taxes to social status or to the external manifestations of wealth (such as land or houses) which can be assumed to be closely connected with the size of income, but in a growing economy, with new branches of activity rapidly developing, such a method would soon become unjust, and also would leave increasing sections of wealth unexploited by taxation.

In England, the first country to industrialize, the poll tax has been unknown since 1698, and the income tax, which was first used during the Napoleonic wars and re-introduced in 1842, virtually exempted the working classes throughout the nineteenth century.<sup>1</sup> The total tax burden on a working-class family (inclusive of indirect taxes) decreased, whilst, with the addition of income tax, that on other classes increased.<sup>2</sup>

<sup>1</sup> In 1876, the exemption limit was raised from £100 to £150, and in 1894 to £160. There were scarcely any incomes earned by manual labour above these limits.

<sup>2</sup> According to the estimates of L. Levi, *Journal of the Statistical Society*, 1884, pages 19–21, in 1842 the average working-

It is hardly likely that there would be many workers receiving either less than one-half or more than twice the average wage, provided that they are fairly regularly employed. Since the average wage of an adult man was about twice the national income per head of population, it is reasonable to assume that national income per head and four times national income per head are the practical limits within which the wage of most adult men will be found in all countries and in all the years for which calculations are made, and this assumption appears to be consistent with the little relevant evidence that exists.<sup>2,3</sup>

<sup>2</sup> For instance, in both France and Italy, the two countries which showed the extreme values of wages in relation to income per head, only 5 to 10 per cent of men in manual work (not all of them adults) had earnings outside these limits.

<sup>3</sup> In so far as incomes above this limit are shown in the tables, this is done in order to indicate the shape of the tax-curve at the upper limit of working-class income, rather than to suggest the level of taxation paid by any significant number of workers

On the Continent, however, where industrialization proceeded more slowly, direct taxes on wage-earners persisted for a much longer period.<sup>3</sup> These taxes had a varied form, and were mainly poll taxes (that is, a fixed amount for all) or taxes based on economic status which allowed for an element of progression as between classes.<sup>4</sup> Such taxes were in the course of time superseded by income tax, which, nevertheless, in some countries still allowed for differentiation according to the type of income earned. In both France and Italy, the system of "personal" income taxation is only now being established instead of separate income taxes which are related to each distinct source of income and which are not sufficiently progressive.<sup>5</sup> Although in the nineteenth

class family paid 16 per cent of its income in taxation and in 1882 only 7 per cent, "which is again greatly diminished when the working man's family abstains from consuming either alcoholic drink or tobacco".

<sup>3</sup> Indeed, the English classical economists, when referring to direct taxes on wage-earners, had to borrow examples from abroad. Their discussion, however, concerned mainly the indirect taxes falling on workers.

<sup>4</sup> E.g., *taille* in France, later superseded by *contribution personnelle*, *Klassensteuer* in the German States, and *focatici*, *testatici*, *imposte personali*, and *imposte di famiglia* in Italy. Because of their multiplicity, a person was frequently liable to more than one variety of tax.

<sup>5</sup> Cf. *Economic Bulletin for Europe*, Vol. 2, No. 3. In both countries, however, personal income taxes (*surtaxe progressive* and *complementaire*) have for some time existed side by side with the "scheduled" taxes.

century income-tax exemption limits were set lower on the Continent than in the United Kingdom, the working classes paid only very small amounts, as in Prussia, or were neglected by the tax collector, as in Italy.

On the eve of the first World War, the British worker paid income tax only if he had an exceptionally large wage and no family, and even so only  $\frac{1}{2}$  per cent of his wage. The typical unmarried worker paid 1 per cent of his wage in Prussia, the highest-paid about  $1\frac{1}{2}$  per cent, and the worker with a family even less. In France only a group of archaic imposts survived whose burden was negligible. In Italy income tax was introduced in 1864 and the exemption limit was comparatively low,<sup>1</sup> but, because of resistance to it, manual workers were administratively exempted;<sup>2</sup> those paying the tax were charged at a flat rate which varied over time between 8 and 12 per cent.

A significant development, around the turn of the century, was the tax reform in the northern European countries by which local income taxes were substituted for the existing local taxes. In the United Kingdom and some other countries, however, local taxation remained related to rent.

#### *Changes during the Inter-war Period*

In the inter-war period, the weight of income taxes on wage-earners increased, though not in all countries; a general expansion took place in social security contributions; and in some countries family allowances were introduced, but no payroll tax of any importance had yet made its appearance.

In France, an income tax was established in 1917, and in Germany the income taxes of the constituent States were consolidated into a national tax in 1921. In both these countries tax rates are liable to become obsolete in times of inflation as, contrary to the practice in the United Kingdom, they are not fixed by annual legislation; in particular, the real value of the exemption limit may be unintentionally lowered by a rise in prices.

<sup>1</sup> About equal to national income per head. By the end of the century the limit was about twice national income per head.

<sup>2</sup> In fact, the criterion of exemption was the nature of the contract of employment. Weekly wage-earners were exempt, but those who normally received monthly salaries were required to pay the tax. The latter class roughly corresponds to non-manual workers.

The income-tax system of Italy underwent no important change. In 1922, manual workers employed by public authorities (mostly on the railways) were brought into the tax-paying class, and in 1933 the administrative exemption of other manual workers was formally abolished; manual workers became liable to pay tax at a lower rate than non-manual employees, and only the better-paid were affected.<sup>3</sup> The surtax which was introduced in 1925 put an additional burden on the better-paid non-manual workers but was not imposed on manual workers. The right of local authorities to impose income taxes as the main alternative to taxing rents, which had existed since 1868, was withdrawn in 1931 in the case of towns with over 30,000 inhabitants, and thus a progressive (though small) element of the tax system vanished.

From the point of view of the wage-earner the level of wages below which no income tax is payable is of particular interest. Changes in this level over the last forty years for six countries and for different family sizes, expressed in terms of national income per head, are shown in Table 1 overleaf.<sup>4</sup>

The figures show clearly that, on the whole, as compared with forty years ago, the exemption level has fallen in terms of the average level of incomes.<sup>5</sup>

However, forty years ago the level of tax-free income hardly varied with the size of the family, but since then such variations have been introduced everywhere, except in Italy, and hence the trends in the case of the large family are not as distinct as in the case of earners without dependants.

Immediately after the first World War the real value of exemption limits was exceptionally low as

<sup>3</sup> Even so, it is doubtful whether in fact the new legislation was seriously enforced.

<sup>4</sup> It must be remembered that the figures in the table express not only the intentional changes in exemption limits, but also the automatic consequences of changes in national income per head. Thus in an inflationary period the limits, in terms of constant prices, would decrease, at any rate in the short run, and in a deflation they would increase. It must also be remembered that with large-scale unemployment, as it existed in the 'thirties (especially in Germany), the average wage of those actually in employment rises relatively to national income per head, thus shifting the position in the table of a typical wage-earner.

<sup>5</sup> Or—which comes to the same—income tax has been introduced since then in France and has been extended to cover manual workers in Italy. In some instances, as in Stockholm (Sweden), the exemption limit is now well below the normal earnings of a man, and this indicates that all single adults in full-time employment have become taxpayers.

Table 1

RATIO OF WAGES BELOW WHICH NO INCOME TAX IS PAYABLE TO NATIONAL INCOME PER HEAD

Year	FRANCE			GERMANY <sup>a</sup>			ITALY <sup>b</sup>	
	Single	Married	Married with 3 children	Single	Married	Married with 3 children	Manual worker	Non-manual worker
1911	c	c	c	1.3	1.3	1.5	c	1.2
1920	2.1	2.1	2.1	..	..	..	c	0.3
1925	2.1	3.0	5.8	1.0	1.1	2.0	c	0.3
1928	1.3	1.8	3.5	0.8	0.9	1.6	c	0.4
1934	2.5	2.5	2.5	1.8	2.0	3.2	4.0	1.1
1938	1.3	1.3	1.3	0.9	1.1	2.0	2.9	0.7
1950	1.2	2.1	3.6	1.1	1.2	2.1	1.8	1.8

Year	SWEDEN <sup>d</sup>			SWITZERLAND <sup>e</sup>			UNITED KINGDOM		
	Single	Married	Married with 3 children	Single	Married	Married with 3 children	Single	Married	Married with 3 children
1911	0.6	0.6	1.1	1.5	1.5	1.8	3.3	3.3	4.0
1920	0.3	0.3	0.5	..	..	..	1.2	2.0	2.8
1925	0.5	0.5	0.8	1.3	2.0	3.3	1.8	3.1	4.3
1928	..	..	..	0.2	0.7	1.7	1.8	3.0	5.1
1934	0.5	0.6	1.0	0.3	0.9	2.2	1.5	2.2	4.2
1938	0.4	0.4	0.8	0.6	0.8	2.0	1.3	2.3	4.5
1950	0.2	0.2	0.4	0.6	0.9	1.4	0.6	1.0	2.1

Sources: See Appendix.

NOTE. — The table shows the levels up to which no tax is actually payable, not the levels above which income is subject to assessment. The wage-earner may be liable to assessment but, because of the operation of various allowances and deductions, may eventually be discharged from paying the tax.

Exceptions to years shown: for Germany, 1933 instead of 1934; for Italy, 1921 instead of 1920; and for Switzerland, 1913 instead of 1911 and 1924 instead of 1925.

<sup>a</sup> 1911: Prussia; 1950: western Germany.

<sup>b</sup> No differentiation according to family responsibility.

<sup>c</sup> No income tax.

<sup>d</sup> Stockholm.

<sup>e</sup> Canton of Geneva.

the result of the war-time and post-war inflations, which—no doubt deliberately—were allowed to “vulgarize” income tax. In the United Kingdom, the limit was lowered in 1915, and during the war significant numbers of workers began to pay tax; and even after the burden of income tax was made lighter in the 'twenties, large numbers of wage-earners remained in the tax-paying class. Although after 1919 taxation was lowered in most countries, sooner or later the revenue requirements of all States were again on the increase and income-tax exemption limits resumed their downward trend. In Switzerland (Geneva), for instance, the real value of the exemption limits was eventually restored to its pre-war level in 1924, but the yield of income taxation proved itself to

be insufficient and one year later the exemption limits were drastically scaled down.

The history of social security contributions is more susceptible to generalization, as all long-term movements have been in an upward direction. The scope of social security, and together with it the need for contributions, expanded in two directions: the range of services provided expanded, and larger classes of the population were included among the beneficiaries. The German scheme started at the end of the nineteenth century and the British in the early years of the twentieth: in the United Kingdom the contributions were all the time about equally divided between employer and worker (apart from the contribution of the State from general taxation), and in



Germany, although the employer paid initially less, the same distribution was reached by 1938.<sup>1</sup> Social security schemes, in a relatively comprehensive form, started in 1920 in Italy and in 1930 in France.<sup>2</sup> In both countries the finance of family allowances, introduced in the 'thirties, was borne by the employer's contribution, which therefore became relatively heavy.

More important than the scope and extent of these taxes is their quantitative significance at different wage levels, as shown in Table 2 overleaf for four major European countries and, for the sake of comparison, for the United States. Apart from the generalizations already made, the pattern of development differed from country to country. In the United Kingdom towards the end of the inter-war period the single man paid up to 9 per cent of his wage in income tax, but the wage-earner with three children still paid no tax, although he became accustomed to make returns of his income. The increasing trend was even more evident in Germany, and at the end of the period the single worker paid in income tax 2 to 15 per cent of his wage, and even the man with three children paid something if he had a high wage. But the liability of the French worker to income tax did not significantly change between 1920 and 1938, and remained small. In Italy the income tax on non-manual workers—in so far as they were above the exemption limit—hardly changed, and the newly imposed tax on manual workers (which affected only the highest-paid) was small.

For most workers, however, social security contributions cost more than income tax, and the latter was insufficient to offset fully the inherently regressive nature of the former. The sum of the two (that is, the total of direct taxes paid by the worker) was heaviest in Germany—in 1938 from 7½ to 19 per cent of the wage—and about equally heavy on the average and hardly varying with income or family size in Italy, but only in the case of non-manual workers. For workers in France and the United Kingdom, and for manual workers in Italy, direct tax payments remained low throughout the period—around 3 to 5 per cent of wages—and were not progressive, except for single men in the United Kingdom.

In both France and Italy, however, the character of taxation underwent an important change by the

introduction of family allowances in 1934. Since these allowances were relatively large—the amount was fixed in relation to family size, but independently of income—their effect was much more important than that of income tax could have been in creating a differential in favour of large families and in redistributing incomes in favour of the poorest classes. In France a low-paid worker with three children may have supplemented his wage by one-third or more, and in Italy by about one-quarter, and even for the highest-paid manual worker the allowance for three children more than offset income tax.

The tax on the employer, although it has increased since 1911, remained small in the United Kingdom—about 2 per cent of wages on the average in 1938—but in Germany it had risen to about 8 per cent of wages. Such a high scale was not reached in France and Italy even after the introduction of family allowances.<sup>3</sup>

In comparison with European countries, taxes on the worker in the United States remained small until the second World War. Income tax was on a minor scale between the two wars, even if federal and State taxes are taken together. Comprehensive social security schemes, to which the worker contributed 1 per cent and the employer 5 per cent of wage, started only in 1935.

#### *Changes since the War*

The pre-war pattern was changed by circumstances during and after the second World War, and the result was somewhat greater uniformity between countries. Income tax became much heavier in the United Kingdom, although it was slightly reduced from its war-time peak, and in 1950 almost all single men were paying tax—in the case of high wages as much as 20 to 25 per cent of income. Even a married man with three children paid tax, if the wage was high, up to 11 per cent of income. In France, also, income taxation became much heavier, although the scheduled income tax on wages was abolished<sup>4</sup> in

<sup>1</sup> The difference in 1950 is entirely due to the inclusion in the figures of workmen's injury insurance paid by the employer.

<sup>2</sup> Previously, comparatively negligible schemes for pensions existed in France, and it is thought that before the first World War evasion was on a large scale.

<sup>3</sup> In Table 2 the charge on the French employer for family allowances could not be included for 1934 and 1938 because no accurate data were available, the contribution passing through private funds. A rough estimate would suggest an average of about 3 per cent of wage (or 5 to 6 per cent of national income per head).

<sup>4</sup> The operation of the law was suspended for an indefinite period.

Table 2

INCOME TAXES, SOCIAL SECURITY CONTRIBUTIONS, PAYROLL TAXES AND FAMILY ALLOWANCES, 1911-1950

Percentages of income

Year	1911			1920			1928			1934			1938			1950		
Income as multiple of national income per head	1	2	4	1	2	4	1	2	4	1	2	4	1	2	4	1	2	4
<i>France</i>																		
Income tax :																		
Single man <sup>a</sup> . . . . .	—	—	—	—	—	2.8	—	1.5	4.2	—	—	1.1	—	1.1	3.2	—	4.2	9.4
Married man with 3 children	—	—	—	—	—	1.4	—	—	0.2	—	—	0.2	—	0.2	1.1	—	—	1.3
Social security contribution :																		
Worker . . . . .	1.1	0.6	—	0.3	—	—	..	..	..	3.3	3.3	2.7	4.0	4.0	—	6.0	4.9	2.5
Employer <sup>b</sup> . . . . .	1.1	0.6	—	0.3	—	—	..	..	..	3.3	3.3	2.7	4.0	4.0	—	29.0	23.8	11.9
Payroll tax . . . . .	—	—	—	—	—	—	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	5.4	5.4	5.4
Family allowances : 3 children <sup>c</sup>	—	—	—	—	—	—	—	—	—	32.8	16.4	8.2	41.4	20.7	10.4	105.1	52.6	26.3
<i>Germany <sup>d</sup></i>																		
Income tax :																		
Single man . . . . .	—	0.9	1.6	—	5.5	7.5	1.6	5.0	7.5	1.5	4.6	11.1	1.9	8.3	14.5	—	4.4	11.6
Married man with 3 children	—	—	1.1	—	—	4.0	—	1.4	4.1	1.5	1.5	4.5	—	—	2.8	—	—	2.9
Social security contribution :																		
Worker . . . . .	4.2	3.9	0.5	6.6	6.4	0.7	8.3	7.6	2.1	10.4	9.7	9.2	8.7	8.7	4.7	10.0	10.0	9.0
Employer . . . . .	2.7	2.4	0.5	4.1	3.9	0.7	5.8	5.1	2.1	8.6	7.9	7.4	8.7	8.7	4.7	12.3	12.3	11.3
Payroll tax . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.5	0.5	0.5
<i>Italy</i>																		
Income tax :																		
Single worker { Manual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4.2	—	0.4	2.3
{ Non-manual	—	9.0	9.0	10.0	10.0	10.0	9.0	9.5	11.0	—	8.4	9.9	8.4	9.7	11.5	—	0.6	3.2
Married, { Manual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4.2	—	0.4	2.3
3 children { Non-manual	—	9.0	9.0	10.0	10.0	10.0	9.0	9.0	10.1	—	8.0	9.0	8.4	8.4	9.6	—	0.4	2.6
Local income tax :																		
Single man . . . . .	..	..	..	..	..	..	..	..	..	—	—	—	—	—	—	0.3	0.6	1.0
Married man with 3 children	..	..	..	..	..	..	..	..	..	—	—	—	—	—	—	0.2	0.5	0.8
Social security contribution :																		
Worker <sup>e</sup> . . . . .	—	—	—	3.0	—	—	3.3	2.6	1.3	3.7	3.4	1.7	4.8	3.0	1.0	2.1	1.8	1.2
Employer . . . . .	—	—	—	3.0	—	—	3.3	2.6	1.3	3.7	3.4	1.7	7.4	5.5	3.5	46.1	39.6	24.9
Family allowances : 3 children	—	—	—	—	—	—	—	—	—	—	—	—	23.1	11.5	5.8	75.9	37.9	19.0
<i>United Kingdom</i>																		
Income tax :																		
Single man . . . . .	—	—	0.6	—	5.2	12.8	—	0.9	4.6	—	2.3	5.7	—	2.5	8.6	3.0	11.5	23.2
Married man with 3 children	—	—	—	—	—	3.9	—	—	—	—	—	—	—	—	—	—	—	11.4
Social security contribution :																		
Worker . . . . .	2.8	1.4	0.7	1.7	0.8	0.4	3.7	1.8	0.9	4.7	2.4	1.2	4.0	2.0	1.0	5.9	2.9	1.5
Employer . . . . .	2.4	1.2	0.6	1.7	0.8	0.4	3.9	2.0	1.0	4.7	2.4	1.2	4.0	2.0	1.0	5.0	2.5	1.2
Family allowances : 3 children	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	11.9	6.0	3.0
<i>United States :</i>																		
Income tax :																		
Single man . . . . .	—	—	—	—	0.7	2.2	—	—	0.4	—	—	0.9	—	—	1.5	8.8	12.3	15.8
Married man with 3 children	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7.2
Local income tax : <sup>f</sup>																		
Single man . . . . .	—	—	—	—	0.2	0.5	—	—	0.3	0.9	0.9	1.4	0.9	0.9	1.8	0.5	1.4	2.3
Married man with 3 children	—	—	—	—	—	—	—	—	—	0.9	0.9	0.9	0.9	0.9	0.9	—	—	0.6
Social security contribution :																		
Worker . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	1.0	1.0	1.0	1.5	1.5	0.7
Employer . . . . .	—	—	—	—	—	—	—	—	—	—	—	—	5.0	5.0	5.0	5.5	5.4	2.7

See following page for footnotes to this table.

1948 and the general income tax, which remained, was made fairly progressive with respect to both income and family size. The well-paid single worker was liable to the extent of 5 to 10 per cent of his wage, but the married man with three children paid only if his wage was very high. The tax in western Germany actually fell in comparison with 1938, and the burden on the wage-earner was very much the same as in France. In Italy, from 1944, the distinction between manual and non-manual workers was reduced to negligible proportions, progressivity was introduced with respect to income, but hardly with respect to family size, and the tax was set at a generally low level in the working-class range of income; at the same time, all local authorities were again permitted to impose income taxes. Parallel with all this, in both France and Italy family allowances were about trebled in relation to wages and, though on a more modest scale, introduced for the first time in the United Kingdom. Income tax in the United States also reached impressive proportions: in 1950 it was about as high for the single man as in the United Kingdom, but less progressively distributed.

The current levels of income tax payable by the worker,<sup>1</sup> social security contributions, payroll taxes and family allowances are shown in Table 3 for eleven European countries and the United States for 1950,<sup>2</sup> expressed in percentages of income, separately

<sup>1</sup> The cantonal poll tax in Switzerland is also treated as an income tax for purposes of the present calculation. In Geneva, each adult income recipient, except married women, pays 10 francs per annum—that is, about 0.3 per cent of national income per head. On the other hand, the Dutch "personal tax" is not included; this levy, which is assessed on the rental value of the dwelling, but takes account of the size of the family (and comes on the average to about 1/2 per cent of the wage), is generally regarded as an indirect rather than a direct tax. It is to be noted that the State income tax of some countries includes a number of taxes which are separate in name, but which complement each other and for practical purposes should be regarded as a single tax and are here discussed as such. There are four kinds of income tax in Belgium (two of which were consolidated in 1951) and Norway, two in Austria, Denmark, Italy and also in the United States; other income taxes also exist (e.g., surtax in the United Kingdom), but are not relevant in the working-class ranges of income.

<sup>2</sup> As the data are expressed in terms of percentages of income, the figures are still approximately valid. Any significant changes since 1950 are mentioned in the text.

*Notes to Table 2 opposite.*

Sources: See Appendix.

NOTE. — Exceptions to years shown: for France, 1913 instead of 1911; for Germany, 1925 instead of 1920 and 1933 instead of 1934; for Italy, 1921 instead of 1920.

Employers' contribution to workmen's injury insurance is excluded for the years before 1950 except in the United States. The contribution included for 1950 was, for instance, 2.3 per cent in Germany and 4 per cent in Italy.

<sup>a</sup> The rates shown for the years 1920-1938, for persons actually paying tax, were 0.1 to 0.2 per cent of income higher in the case of unmarried men over 30 years of age.

for single men and for married men with three children. Social security contributions and income tax were by 1950 in force in all the countries for which data are shown, though local income taxes were levied (in addition to State income tax) only in the northern European countries and Switzerland and, to a minor extent, in Italy;<sup>3</sup> family allowances were paid in all countries except western Germany,<sup>4</sup> and payroll taxes were introduced in some countries.

In the countries which have a local income tax, this is generally much less progressive than the State income tax<sup>5</sup> and, on the smaller incomes, the size of the local tax is larger than that of the State tax. Income tax, including the local tax, is heaviest in the northern European countries, the United Kingdom and the Netherlands, though in the latter two countries (which have no local income tax) the contribution at the lower end of the scale is less than in the other three. Income tax is far the lowest in Italy,<sup>6</sup> and hence the critical appraisal of minor refinements or defects of this tax is of little practical importance.

Social security contributions conform to two types: they are either a fixed amount per head, but different for men and women and for adults and juveniles, as in the United Kingdom and Denmark,<sup>7</sup> or proportional to the wage, as in the other countries, except

<sup>3</sup> Switzerland and western Germany have federal constitutions, with three layers of governmental authority: the State, the cantons or *Länder*, and the communes. The Swiss cantonal tax is shown in the table as a local tax; in western Germany, however, the State and the *Länder* share the proceeds of a common income tax and the whole of this tax is shown as a State tax.

<sup>4</sup> In Switzerland family allowances to agricultural labourers and mountain peasants are a federal affair, but those to other classes depend on cantonal legislation. Family allowances for industrial workers are paid only in the five French-speaking cantons and in Lucerne.

<sup>5</sup> In Switzerland, however, the size of the federal tax is negligible in relation to the cantonal and communal taxes; the communal tax is a proportionate addition to the cantonal tax.

<sup>6</sup> This also applies to a comparison of income taxation for the rich. In general, Italy still relies far more on various indirect taxes, and the whole system of taxation is far less progressive, than in most other European countries or the United States, especially if account is taken of tax evasion.

<sup>7</sup> In Denmark the unemployment insurance contribution of the worker also varies from industry to industry.

<sup>b</sup> In 1934 and 1938, contributions for family allowance—which, though legally compulsory, were paid into a number of private funds—are excluded. (A rough estimate would indicate an addition of 5 to 6 per cent of income.) The corresponding benefits are, however, shown below under "Family allowances". In 1950, about one-half of the total employers' contribution was accounted for by family allowances.

<sup>c</sup> Rates in the Département de la Seine. For 1934 and 1938, minimum legal rates.

<sup>d</sup> 1911: Prussia; 1950: western Germany.

<sup>e</sup> In 1950 slightly lower for workers with a family.

<sup>f</sup> New York State.

Table  
INCOME TAXES, SOCIAL SECURITY CONTRIBUTIONS,  
Percentages

Country	AUSTRIA						BELGIUM <sup>a</sup>						DENMARK <sup>b</sup>					
Income as multiple of national income per head	1	1½	2	3	4	6	1	1½	2	3	4	6	1	1½	2	3	4	6
<i>Payable by worker</i>																		
Single man :																		
Income tax - State . . . .	0.6	3.5	6.6	12.3	17.1	27.4	—	3.7	5.2	8.3	11.0	14.3	3.6	6.3	8.5	11.1	13.4	16.3
Income tax - Local . . . .	—	—	—	—	—	—	—	—	—	—	—	—	6.4	7.0	7.3	7.8	8.2	8.2
Social security contribution	9.6	9.6	9.6	8.6	6.4	4.3	8.0	8.0	6.3	4.2	3.1	2.1	4.6	3.0	2.3	1.1	0.8	0.5
Total . . . . .	10.2	13.1	16.2	20.9	23.5	31.7	8.0	11.7	11.5	12.5	14.1	16.4	14.6	16.3	18.1	20.0	22.4	25.0
Married man, 3 children :																		
Income tax - State . . . .	—	—	0.8	3.5	5.8	12.0	—	—	0.2	5.6	7.8	10.0	—	0.6	3.1	7.1	10.2	14.2
Income tax - Local . . . .	—	—	—	—	—	—	—	—	—	—	—	—	2.2	4.3	5.3	6.3	7.0	7.6
Social security contribution	9.6	9.6	9.6	8.6	6.4	4.3	8.0	8.0	6.3	4.2	3.1	2.1	6.1	4.1	3.1	2.0	0.9	0.6
Less family allowances . . .	28.2	18.8	14.1	9.4	7.0	4.7	39.9	26.6	19.9	13.3	10.0	6.6	7.7	5.1	3.8	2.6	1.4	0.6
Total . . . . .	-18.6	-9.2	-3.7	2.7	5.2	11.6	-31.9	-18.6	-13.4	-3.5	0.9	5.5	0.6	3.9	7.7	12.8	16.7	21.8
<i>Payable by employer</i>																		
Payroll tax . . . . .	2.0	2.0	2.0	2.0	2.0	2.0	—	—	—	—	—	—	—	—	—	—	—	—
Social security contribution .	13.7	13.7	13.7	12.4	9.8	6.9	17.3	17.3	13.5	9.0	6.8	4.5	1.3	0.9	0.7	0.4	0.3	0.2
Total . . . . .	15.7	15.7	15.7	14.4	11.8	8.9	17.3	17.3	13.5	9.0	6.8	4.5	1.3	0.9	0.7	0.4	0.3	0.2

Country	NETHERLANDS						NORWAY <sup>e</sup>						SWEDEN <sup>f</sup>					
Income as multiple of national income per head	1	1½	2	3	4	6	1	1½	2	3	4	6	1	1½	2	3	4	6
<i>Payable by worker</i>																		
Single man :																		
Income tax - State . . . .	5.9	11.8	15.5	21.4	25.4	31.4	4.1	4.6	5.4	8.5	12.0	17.8	3.2	6.4	8.9	12.5	15.3	20.0
Income tax - Local . . . .	—	—	—	—	—	—	10.0	12.1	13.2	14.1	14.7	16.2	8.0	8.7	9.0	9.3	9.5	9.7
Social security contribution	1.8	1.8	1.8	1.8	—	—	2.5	2.0	1.5	—	—	—	1.0	1.0	1.0	0.9	0.7	0.5
Total . . . . .	7.7	13.6	17.3	23.2	25.4	31.4	16.6	18.7	20.1	22.6	26.7	34.0	12.2	16.1	18.9	22.7	25.5	30.2
Married man, 3 children :																		
Income tax - State . . . .	—	2.3	4.2	7.8	11.5	17.7	—	—	1.9	2.9	4.5	9.0	0.7	3.5	5.4	8.3	10.5	15.1
Income tax - Local . . . .	—	—	—	—	—	—	—	—	4.2	8.2	10.2	12.3	4.9	6.6	7.5	8.3	8.7	9.2
Social security contribution	1.8	1.8	1.8	1.8	—	—	2.5	2.0	1.5	—	—	—	1.0	1.0	1.0	1.0	1.0	0.9
Less family allowances . . .	28.8	19.2	14.4	9.6	7.2	4.8	11.5	7.6	5.7	3.9	2.9	1.9	22.2	14.8	11.1	7.4	5.6	3.7
Total . . . . .	-27.0	-15.1	-8.4	—	4.3	12.9	-9.0	-5.6	1.9	7.2	11.8	19.4	-15.6	-3.7	2.8	10.2	14.6	21.5
<i>Payable by employer</i>																		
Payroll tax . . . . .	4.5	4.5	4.5	4.5	4.5	4.5	—	—	—	—	—	—	—	—	—	—	—	—
Social security contribution .	14.5	13.8	13.5	11.2	4.3	2.9	4.0	2.8	2.1	0.9	0.7	0.4	1.0	1.0	1.0	0.9	0.7	0.5
Total . . . . .	19.0	18.3	18.0	15.7	8.8	7.4	4.0	2.8	2.1	0.9	0.7	0.4	1.0	1.0	1.0	0.9	0.7	0.5

Sources : See Appendix.

NOTES. — For Belgium, employers' contribution for holidays with pay was not included, in order to make the figures comparable with those of other countries where holiday pay is included in wages. State income tax in western Germany includes the share of the *Länder*. For Italy, social security contributions also include contributions to subsidize housing ("I.N.A.-Case"). Local

income tax in Switzerland (Geneva) includes the "personal contribution". Social security contributions by employers include in all countries contributions for workmen's injury insurance (whether public or private) averaged over all industries.

<sup>a</sup> Income tax : towns of over 30,000 inhabitants.

<sup>b</sup> State and local income tax, and family allowances : Copenhagen.

that Italy and the Netherlands have a combination of the two types. The proportionate tax usually has a ceiling, which varies greatly from country to country, being relatively high in western Germany; and both types of tax may have an exemption limit above which no contribution is payable (and, of course, no social

security benefit is receivable).<sup>1</sup> The worker's contribution to social insurance is relatively heavy in western

<sup>1</sup> Further, in most countries several different contributions are payable, in so far as insurance for unemployment, old age, sickness, etc. is not consolidated, and these may have different ceilings or exemption limits; the figures in Tables 2 and 3 show the total effect of these factors.



3

# PAYROLL TAXES AND FAMILY ALLOWANCES IN 1950

of income

FRANCE <sup>c</sup>							WESTERN GERMANY							ITALY <sup>d</sup>							Country
1	1½	2	3	4	6		1	1½	2	3	4	6		1	1½	2	3	4	6		Income as multiple of national income per head
—	2.6	4.2	7.0	9.4	13.9		—	1.7	4.4	8.3	11.6	18.0		—	—	0.4	1.7	2.3	2.9		Payable by worker
—	—	—	—	—	—		—	—	—	—	—	—		0.3	0.4	0.6	0.8	1.0	1.3		Single man :
6.0	6.0	4.9	3.3	2.5	1.6		10.0	10.0	10.0	10.0	9.0	6.8		2.1	2.1	1.8	1.4	1.2	1.0		Income tax - State
6.0	8.6	9.1	10.3	11.9	15.5		10.0	11.7	14.4	18.3	20.6	24.8		2.4	2.5	2.8	3.9	4.5	5.2		Income tax - Local
—	—	—	—	1.3	4.0		—	—	—	1.4	2.9	9.6		—	—	0.4	1.7	2.3	2.9		Social security contribution
—	—	—	—	—	—		—	—	—	—	—	—		0.2	0.4	0.5	0.6	0.8	1.1		Total
6.0	6.0	4.9	3.3	2.5	1.6		10.0	10.0	10.0	10.0	9.0	6.8		1.9	1.9	1.6	1.2	1.0	0.8		Married man, 3 children :
105.1	70.1	52.6	35.0	26.3	17.5		—	—	—	—	—	—		75.9	50.6	37.9	25.3	19.0	12.6		Income tax - State
-99.1	-64.1	-47.7	-31.7	-22.5	-11.9		10.0	10.0	10.0	11.4	11.9	16.4		-73.8	-48.3	-35.4	-21.8	-14.9	-7.8		Income tax - Local
5.4	5.4	5.4	5.4	5.4	5.4		0.5	0.5	0.5	0.5	0.5	1.0		—	—	—	—	—	—		Social security contribution
29.0	29.0	23.8	15.9	11.9	7.9		12.3	12.3	12.3	12.3	11.3	9.1		46.1	45.8	39.6	29.8	24.9	20.0		Less family allowances
34.4	34.4	29.2	21.3	17.3	13.3		12.8	12.8	12.8	12.8	11.8	10.1		46.1	45.8	39.6	29.8	24.9	20.0		Total
																					Payable by employer
																					Payroll tax
																					Social security contribution
																					Total

SWITZERLAND <sup>g</sup>							UNITED KINGDOM							UNITED STATES <sup>h</sup>							Country
1	1½	2	3	4	6		1	1½	2	3	4	6		1	1½	2	3	4	6		Income as multiple of national income per head
—	0.4	0.7	1.4	1.8	2.8		3.0	8.7	11.5	18.9	23.2	27.5		8.8	11.1	12.3	14.2	15.8	18.3		Payable by worker
2.6	4.4	5.4	8.1	10.5	13.7		—	—	—	—	—	—		0.5	1.0	1.4	2.1	2.3	3.0		Single man :
2.4	2.4	2.3	2.2	2.2	2.1		5.9	3.9	2.9	2.0	1.5	1.0		1.5	1.5	1.5	1.0	0.7	0.5		Income tax - State
5.0	7.2	8.4	11.7	14.5	18.6		8.9	12.6	14.4	20.9	24.7	28.5		10.8	13.6	15.2	17.3	18.8	21.8		Income tax - Local
—	—	0.2	0.6	1.1	2.1		—	—	—	5.6	11.4	19.5		—	—	—	4.3	7.2	10.4		Social security contribution
0.3	0.2	0.9	4.4	7.7	10.5		—	—	—	—	—	—		—	—	—	0.2	0.6	1.3		Total
2.4	2.4	2.3	2.2	2.2	2.1		5.9	3.9	2.9	2.0	1.5	1.0		1.5	1.5	1.5	1.0	0.7	0.5		Married man, 3 children :
24.7	16.5	12.4	8.2	6.2	4.1		11.9	8.0	6.0	4.0	3.0	2.0		—	—	—	—	—	—		Income tax - State
-22.0	-13.9	-9.0	-1.0	4.8	10.6		-6.0	-4.1	-3.1	3.6	9.9	18.5		1.5	1.5	1.5	5.5	8.5	12.2		Income tax - Local
—	—	—	—	—	—		—	—	—	—	—	—		—	—	—	—	—	—		Social security contribution
6.4	6.4	6.3	6.2	6.2	6.1		5.0	3.3	2.5	1.7	1.2	0.8		5.5	5.5	5.4	3.5	2.7	1.8		Less family allowances
6.4	6.4	6.3	6.2	6.2	6.1		5.0	3.3	2.5	1.7	1.2	0.8		5.5	5.5	5.4	3.5	2.7	1.8		Total
																					Payable by employer
																					Payroll tax
																					Social security contribution
																					Total

<sup>c</sup> Family allowances : Département de la Seine (Paris region).

<sup>d</sup> Local income tax : Rome.

<sup>e</sup> State and local income tax : Oslo.

<sup>f</sup> State and local income tax : second highest group of towns (out of five groups) on the cost-of-living scale.

<sup>g</sup> Social security contribution : Canton of Geneva; local income tax : Canton and city of Geneva.

<sup>h</sup> Local income tax : New York State.

Germany, Austria and Belgium, less so in France, and only a small proportion of the average wage in the other countries.<sup>1</sup>

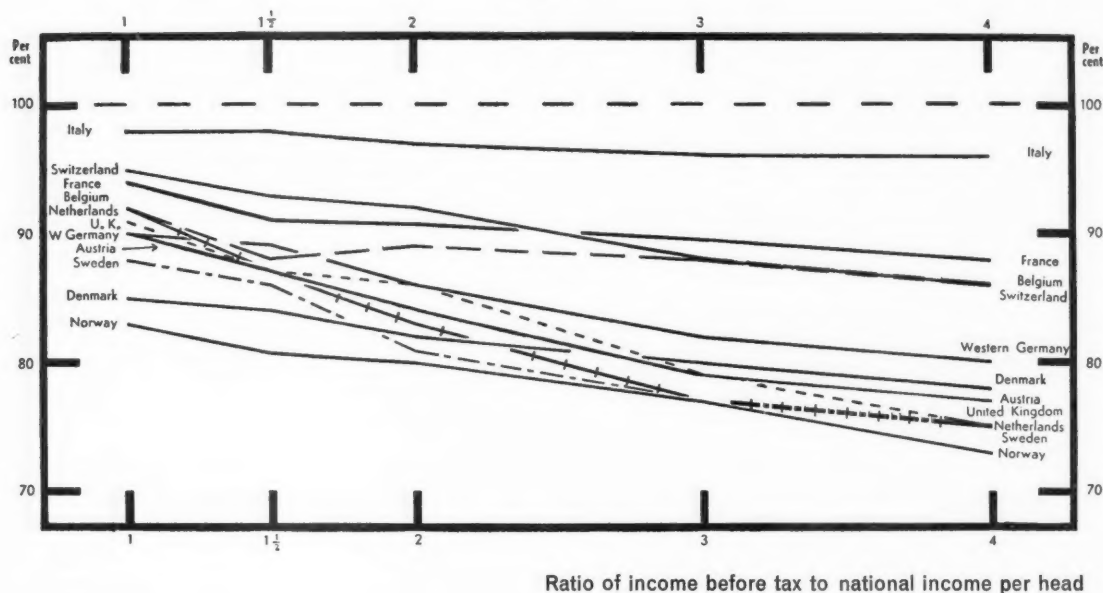
<sup>1</sup> The results might be somewhat different for types of worker not shown in the table—e.g., women or juveniles, agricultural or clerical workers. It can be seen from Table 3 that the contribution of the man with a family is somewhat higher than

Family allowances are the same amount for all income levels, except that in Denmark they are reduced towards the upper scale of wage incomes.

that of the single man in Denmark and Sweden, on account of additional contributions for benefits receivable by the wife, but slightly lower in Italy on account of lower contributions to a housing fund.

Chart 1 A

INCOME AFTER TAX (AND FAMILY ALLOWANCES) AS PERCENTAGE OF INCOME BEFORE TAX, 1950  
Single man



The allowances are far the highest in France, considerable in Italy and Belgium, but relatively low in Denmark, Norway and the United Kingdom.<sup>1</sup>

Because family allowances, as well as the post-war expansion in social security, are in effect financed by the employer's contribution, this tax is the heaviest in Italy and France.<sup>2</sup> The employer's contribution is less heavy in Belgium, the Netherlands, Austria and western Germany, and far less important elsewhere, particularly in Denmark and Sweden. Considered as a part of labour costs, this tax represents an addition of about 30 per cent to the average wage paid in Italy and France (as against 7 to 8 per cent in 1938), but not quite 1 per cent in Denmark or Sweden.

Payroll taxes entered the tax system of some European countries in accidental circumstances. In the Netherlands the German occupation authorities

<sup>1</sup> In comparing France and Italy, differences in the average wage (as a multiple of national income per head) must be borne in mind. In France, the allowance for three children was about 80 per cent of the average wage of a man, and in Italy 30 per cent (raised to about 35 per cent in 1952). Cf. Appendix.

<sup>2</sup> Although the table shows different figures for the two countries, it must again be remembered that the average wage in terms of national income per head differed greatly; the tax on the employer paying the average wage would be about the same percentage in both countries.

introduced a payroll tax during the war in order to equalize labour costs between the Netherlands and Germany, and in Austria in order to help local finances: these taxes are still retained. In France, when in 1948 the scheduled tax on wages was abolished, a payroll tax of 5 per cent was introduced; these changes took place in lieu of a rise in money wages.<sup>3</sup> In May 1952 Italy followed the French example by imposing a 4 per cent payroll tax, partly to finance public investments and partly to restrain wage demands; thus, taxes payable by the employer were increased in the two countries where they were already the highest. The small western German tax was introduced for the finance of aid to West Berlin.

#### Redistributive Effects

While income tax is in each case progressive and the social security contribution regressive, the combined effect of the two taxes, reinforced by family allowances, is that in each case the amount of direct taxes (less family allowances) paid by the worker forms a progressive proportion of income,<sup>4</sup> and is

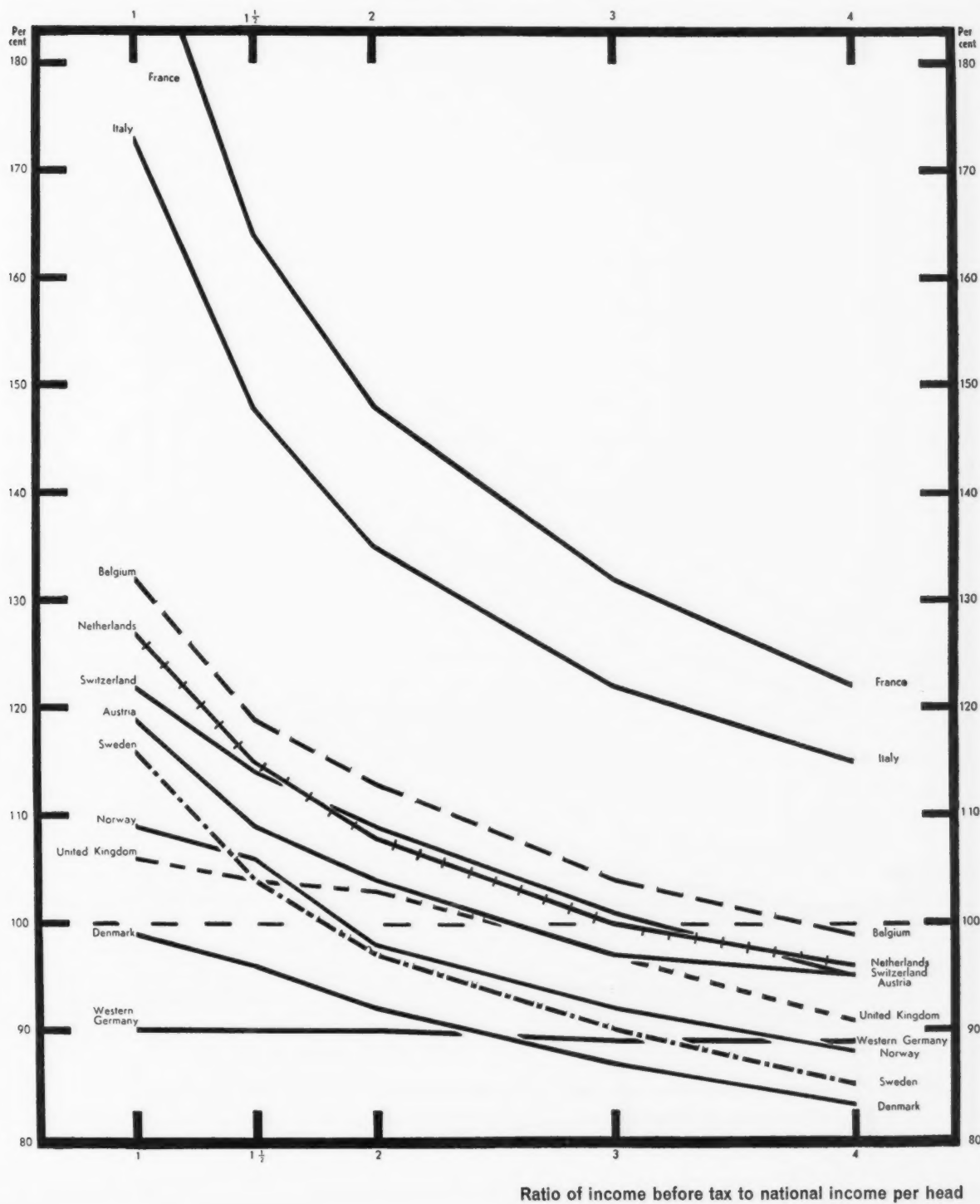
<sup>3</sup> A minor payroll tax, which existed for a longer time, is used for the training of apprentices.

<sup>4</sup> Except for a slight dip in the tax curve in Belgium.

Chart 1 B

INCOME AFTER TAX (AND FAMILY ALLOWANCES) AS PERCENTAGE OF INCOME BEFORE TAX, 1950

Married man with 3 children



less, given the level of income, for large families than for single men.

The progressive nature of the worker's direct tax is brought out in Chart 1, which shows income after the payment of tax (and the receipt of family allowances) as a percentage of wages before tax. The percentage of income retained by the single worker falls away most rapidly in the United Kingdom, the Netherlands (though the curve flattens out), Sweden, Austria and, considering the relatively low level of the tax, Switzerland. The progression is least marked in Belgium and France, and, in relation to the relatively large size of the tax, in Denmark.<sup>1</sup> Because of family allowances, however, the arrangement of countries in order of progression is partly reversed in the case of the worker with three children: France and Italy lead now, with Belgium, the Netherlands and Switzerland<sup>2</sup> following. The curve for Sweden, Norway, the United Kingdom<sup>3</sup> or Austria does not differ greatly from that for the group mentioned as regards progression, but is at a lower level. Western Germany is the only country where income retained by a large family is an almost constant proportion of wages.

<sup>1</sup> The tax in Italy is too low to be considered here.

<sup>2</sup> The Swiss figures, however, are not representative for all cantons.

<sup>3</sup> The 1952 budget lowered income tax and raised family allowances. If the calculations given in Table 3 for 1950 are repeated for 1952, it is found that the position of the single man did not change, except that if he had the lowest wage he lost about 1 per cent of income. But the married man with three children gained a proportion varying from  $4\frac{1}{2}$  to 2 per cent, according to income, which was meant to compensate for higher food prices.

### 3. METHODS OF ASSESSMENT AND COLLECTION

The nature of the relationship of the size of income after tax (and family allowances) to the size of income before tax is shown for twelve countries in Chart 2. It is apparent that, even in the countries with the most progressive systems, the worker's net income increases considerably if gross income increases.<sup>1</sup> It is also evident that, as far as the differential between the large family and the single earner is concerned, the pattern is not the same in all countries. The size of this

<sup>1</sup> Lines parallel to the diagonal would indicate that net income increases by as much as the increase in gross income.

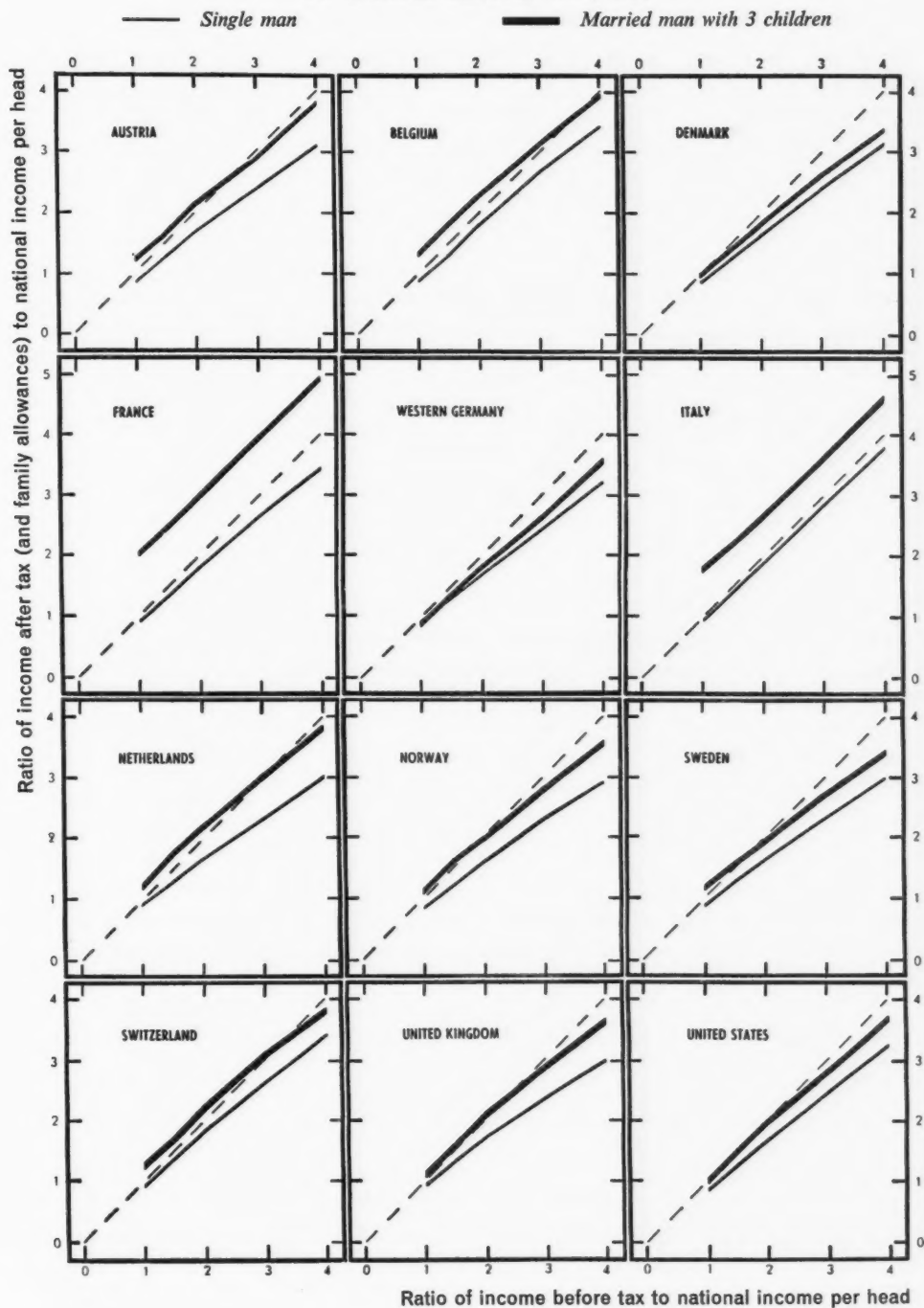
If the size of the net direct contribution of a worker with an average wage is considered, in the case of a single man this is highest in the three northern countries, Austria and western Germany, and very small in Italy. In the case of a man with three children, about one-tenth of an average wage is contributed in western Germany, and small amounts in the three northern countries, but elsewhere family allowances more than offset the tax element, causing net wage to exceed gross wage by about one-quarter in Italy and three-quarters in France. In France, Italy, Belgium and the Netherlands, practically all working-class families with three children gain on balance, and it is only in Denmark and western Germany, as in the United States, that income retained is less than wages received from the employer.

But, as will be argued in the final section, the tax payable by the employer has a price-raising effect, and this tax is heaviest in Italy and France: in Italy, the net direct gains of an average worker with three children may be offset by the indirect burden, but in France he still gains at least two-fifths of his wage. The effects of the tax payable by the employer make the position of a man with three children particularly unfavourable in western Germany and Austria, and offset his direct gains in the Netherlands and Belgium. If all workers (irrespective of family size) and both sets of taxes (and family allowances) are taken into account, the Swiss and British workers come out with the lowest burden, the three northern countries closely following; but, again, recognition must be given to the exceptionally favourable position of the large family in France.

differential has been mentioned already; but while the differential, in absolute terms, hardly varies with income in Italy, Belgium, Sweden and Denmark, it widens in the other countries, though in Switzerland and the United States the gap becomes constant at higher incomes. This section examines the methods and techniques by which tax authorities bring about the relationships shown in the chart.

The taxes paid by the employer with respect to wages or employment and the social security contribution paid by the worker take little account of questions of equity. They were often imposed for the sake of

Chart 2  
INCOME AFTER TAX (AND FAMILY ALLOWANCES) IN RELATION  
TO INCOME BEFORE TAX, 1950





the authorities' convenience, since they are not difficult to assess or collect.<sup>1</sup> But this is not so with respect to income tax paid by the worker: here devices had to be invented to make the tax related to capacity to pay—that is, progressive in respect of income and discriminatory in favour of the family. It must be kept in mind that the taxation of low incomes, which involves obtaining a small contribution from each of a large number of incomes, raises different practical problems from those encountered in the taxation of large incomes,<sup>2</sup> and the relative importance given to theoretical considerations on the one hand, and to efficiency in collection on the other, must be related to the magnitude of the contribution sought.<sup>3</sup>

### *The Basis of Assessment*

Contribution to social security is assessed on the individual income, but income tax generally on the income of the family; that is, for the latter purpose, the incomes of man and wife are added together and treated as a single income.<sup>4</sup> The income of children is included in so far as income-tax relief in respect of children is claimed, and this implies that children's income is included in the family income only if children are under a certain age and if the tax on the additional income would come to less than the corresponding value of the family relief, since otherwise the taxpayer would rather prefer a separate assessment of his children and forgo claiming relief. Further, the contribution to social security is based on wage income only (in so far as it is not a fixed amount), whilst income tax is based on total income, including income from sources other than employment.<sup>5</sup>

Ascertaining the wage is in general fairly simple, since regular cash payments take place and the worker incurs no "business costs".<sup>6</sup> All tools and

materials are normally provided by the employer, and in occupations where tools are customarily purchased by the worker, their cost may be deducted from the nominal wage.<sup>7</sup> On the other hand, transport expenses to and from work are in general not allowed as a deduction, but are not necessarily added to income when such expenses are shifted to the employer.<sup>8</sup>

Social security contributions are assessed on weekly or monthly incomes, but income tax is generally assessed on annual income even though actual payments of the tax may be made at more frequent intervals. In Switzerland, however, the federal income tax takes the average of two years' income as its base, and the cantonal taxes take periods varying from one to four years. In principle, the longer periods are preferable from the point of view of equity, but only where the price level is relatively stable; this, in fact, has been the case in Switzerland.

Although it is not strictly relevant to a discussion of taxes on wages only, it is worth pointing out that income tax always discriminates nominally<sup>9</sup> in favour of wage incomes as against income from property, except that in countries which have an annual tax on capital this may take the place of such discrimination. Income from property involves no corresponding current effort and is usually a safer source of livelihood than income from labour, which may be interrupted by death, sickness, or unemployment. There are two traditional ways of justifying discrimination in favour of labour income: one is based on the extra costs connected with going out to work, and the other claims an allowance for human beings which is analogous to the depreciation allowance for physical capital. The first argument gives rise to a flat deduction from income, for which the typical example is to be found in western Germany, and the latter to

<sup>1</sup> Except where the tax is related to some specific risk—e.g., accident rate in an individual factory; but in such cases the employer's contribution is more in the nature of an insurance premium than of a tax.

<sup>2</sup> Moreover, the subject is taxes on wages, which are more easily determined than income from property or business.

<sup>3</sup> Hence the various practices described in the following paragraphs do not necessarily apply at the higher ranges of income.

<sup>4</sup> In Italy, in the case of the State income tax (but not the local tax), up to an exceptionally high wage income no joint return of income is required.

<sup>5</sup> In Sweden, however, the small social security contribution is related to total income.

<sup>6</sup> For purposes of calculating the tax payable as shown in the tables, it was assumed that the wage is already net of any such deductions which may be made before assessment. But for

France and the United States, for instance, where a general deduction of 10 per cent of wage is permissible, this was taken as equivalent to a tax rebate rather than as a deduction for specific costs incurred. Cf. also Appendix.

<sup>7</sup> In the United Kingdom, for instance, fixed allowances are agreed with the trade union of each industry.

<sup>8</sup> Difficulties arise, however, when part of the wage is received in kind. In principle, income should include payments in kind; but these are often undervalued, and in certain occupations even ignored. A situation has grown up, probably in all countries, where the practice of assessing and valuing payment in kind is inconsistent and therefore not equitable as between worker and worker. In fact, in so far as taxation is appreciable, attempts are being made to receive, instead of cash, other benefits such as free lodging or savings certificates.

<sup>9</sup> The possibility of evasion is, however, in certain countries far greater in the case of non-wage incomes.

the type of "earned-income allowance", introduced in Italy in 1864 and later in the United Kingdom, where a given proportion of the wage is deducted from the amount to be assessed.<sup>1</sup> To charge different rates of tax on income from labour and income from property would raise complications in the case of a progressive tax, and legislation has to make clear whether income from property is additional to income from labour, or the other way round. This problem is avoided, however, if the assessable income base and not the tax rate is adjusted according to the type of income.<sup>2</sup>

### *The Determination of the Contribution*

The determination of the social security contribution is fairly simple, but that of income tax requires a set of rules to make it vary with income and with family size, and these rules differ from country to country.

Income tax is progressive in relation to income—that is, the higher the income, the higher the proportion of it taxed away, given the size of the family—and to make the calculation of the tax feasible, the tax curve possessing the desired degree of progression must be translated into comparatively simple instructions.<sup>3</sup> For this, two alternative methods are used: the first is to determine the average rate of tax payable in each range of income, and the second is to determine the rate of tax on each additional slice of income, the rates being graduated upwards in both instances. The first method (which is followed in western Germany, the Netherlands, Belgium,<sup>4</sup> Switzerland<sup>5</sup> and, for the surtax and the local tax, in Italy) always requires additional rules, since the tables refer to specific income levels and it has to be decided how

to tax incomes falling between these levels; in some countries the amount of tax applicable to the lower limit is taken, and in others the tax rate applicable at that limit, and in both cases there would be a jump in the tax payable when proceeding from one income range to the next unless further devices are adopted.

The alternative system is by far the simpler, since increasing marginal rates of tax are in themselves sufficient to ensure that the average rate of tax should be continuously progressive; in fact, by not taxing the first slice of income, a single percentage rate applicable to the rest already ensures progression, though to achieve both a high degree of progression and a smooth graduation more than one rate is required. Only one rate is applied to the taxable part of income in the Swedish and Norwegian local taxes. Before the last war there were two rates in the United Kingdom,<sup>6</sup> but with the higher level of the tax the need was felt for more rates in order to reduce the steepness of the tax at the point where it begins to operate. During the war a third rate was introduced, and with the introduction of a fourth rate in 1952 the system satisfies the requirements of a tax which is progressive, but not too steeply in the lower ranges, and fairly simple to understand. Very few workers would have a wage high enough to attract tax on additional income at the highest of the four rates.<sup>7</sup> For taxing wage-earners, an income tax incorporating a personal allowance and, say, three graduated rates for successive slices of income appears to be sufficient from every point of view, and at the same time easily allows for further graduation, of any kind desired, in the upper ranges of income.<sup>8</sup>

<sup>6</sup> The surtax applying to high ranges of income, which has a number of further rates, can be considered, however, as a continuation of income tax.

<sup>7</sup> The approximate income levels, in terms of national income per head, where the various rates begin to operate (for a wage income) are the following in 1952:

Approximate rate of tax (Per cent)	Single person	Married couple	Married couple with one two three children		
12	0.7	1.1	1.6	2.0	2.4
21	1.2	1.6	2.1	2.5	2.9
29	1.9	2.4	2.8	3.2	3.7
37	2.7	3.1	3.6	4.0	4.4

<sup>8</sup> In the United Kingdom the surtax begins at a high level of income and does not vary with type of income or family size. In Denmark (for single and married persons) and Sweden (for single persons only), beyond an income level over which not many wage-earners pass, the increased progression of the State income tax is partly ensured by reducing the tax-free slice of income until it vanishes. (The same device is also used in Geneva.) By this method, but not by the British, it is possible to vary working-class taxation to some extent without changing that on the rich.

<sup>1</sup> In the United Kingdom an upper limit (well above the range of working-class incomes) is set to the allowance.

<sup>2</sup> In Italy income from professional earnings occupies an intermediate position between income from labour and income from property; this can be justified because income from a profession is derived from labour and capital in joint use, and, moreover, the possibility of under-reporting income is greater than when a wage is received. The discrimination against professional earnings is, however, being abolished from July 1952.

<sup>3</sup> In Italy, for the surtax and the local tax, the law in fact determines tax as a mathematical function of income (but in practice this still has to be translated into tax tables), whereas in other countries the tables themselves are published in the law.

<sup>4</sup> But for one of the four income taxes the other method is used.

<sup>5</sup> In the case of the federal and some of the cantonal income taxes only. In the canton of Geneva, for instance, the other method is used.

In order to take account of the size of the family one of two main methods, giving widely differing results, is employed. According to the first method, followed in most countries, the tax-free portion of income is varied with family responsibility, but not with income, and the rest of the income is taxed as in the case of a single person. The second method in its pure form is followed in France only : here, income is divided by a factor which varies with the size of the family,<sup>1</sup> and each part of income is then taxed as if it were a separate income.<sup>2</sup>

The first method embodies the principle of a tax-free subsistence minimum and taxes the excess of income above that minimum irrespective of family responsibility. The second method aims at taxing incomes, which (when family responsibility is taken into account) yield equal standards of living, at the same rate. Under the first method the difference between the net incomes of families of different size is equal to the difference in the tax-free portions of income multiplied by the marginal rate of the tax, and tends to reach a ceiling, as is evident from Chart 2. Hence it is felt—but perhaps more outside than within the working-class range—that at higher income levels the relief is insufficient to take account of family responsibility, since it is not only subsistence needs which increase with the size of the family. With the other method under a progressive tax system the differential in favour of the larger family is considerable, and is sometimes thought to be unduly high, since the needs of the large family do not bear the same relationship to the needs of a single person at high as at low standards of living. Compromise solutions have been adopted in Austria,<sup>3</sup> Belgium<sup>4</sup> and the Netherlands.<sup>5</sup>

<sup>1</sup> One for a single person, 2 for a married couple and an additional  $\frac{1}{2}$  for each child. Until 1951 the factor for a married couple was reduced to  $1\frac{1}{2}$  if during the first three years of marriage they produced no children.

<sup>2</sup> This is equivalent to lengthening, in proportion to the size of the family, the slice of income to which a given tax rate applies or which is tax-free.

<sup>3</sup> In Austria the law contains complicated rules for the abatement of income tax by percentages depending on both income and family size. The basic tax tables are prepared for a married couple, and the single person has a surcharge imposed upon him, resembling the pre-war tax on bachelors in Italy and Germany.

<sup>4</sup> In Belgium (where there are several income taxes embodying different structures) in addition to a tax-free allowance varying with family size, the tax is reduced by a percentage varying with family size.

<sup>5</sup> In the Netherlands the law contains separate schedules for each common type of family, but the method by which these schedules are derived is not stated explicitly.

Table 4  
INCOME TAX AS PERCENTAGE OF INCOME

Family type	Single man	Family with 3 children	Single man	Family with 3 children
Income as multiple of national income per head	1	3	2	6
Austria . . . . .	1	4	7	12
Belgium . . . . .	—	6	5	10
Denmark . . . . .	10	13	16	22
France . . . . .	—	—	4	4
Western Germany .	—	1	4	10
Italy . . . . .	—	2	1	4
Netherlands . . . .	6	8	16	18
Norway . . . . .	14	11	19	21
Sweden . . . . .	11	17	18	24
Switzerland . . . .	3	5	6	13
United Kingdom .	3	6	12	20
United States . . .	9	5	14	12

Source : Table 3.

In Table 4 comparisons are made, at two levels, between the income tax paid by a single person in 1950 and the tax paid by a married couple with three children whose income is three times that of the single person.<sup>6</sup> For France, the tax rates for the comparable families are approximately the same, since the factor by which the income of the larger family is divided in order to establish the rate of tax is  $3\frac{1}{2}$ . Elsewhere, the percentage for the large family is higher than for the single person, except in the United States and, on the lower level, in Norway. The difference on the lower level is largest in Belgium, although in that country a composite formula has been adopted, and in Sweden, where the State income-tax relief for children was abolished in view of the system of family allowances.

But, as suggested by the Swedish example just mentioned, it is no longer legitimate to consider the family relief granted by income tax in isolation; the State today gives concessions to the large family in more than one form, of which regular cash allowances

<sup>6</sup> The 1 to 3 ratio is selected on the assumption that the difference in income roughly offsets the difference in family circumstances with respect to the standard of living that can be afforded. It must be borne in mind that the table refers only to two selected living standards. The single man earning a low wage is compared with a man with three children who earns a high wage; and the single man earning an approximately average wage with a man with three children who in fact has an income above the usual working-class range.



are the best-known and quantitatively the most important.<sup>1</sup> The criticism, for instance, that the Italian scheduled income tax gives no relief for children, is not relevant in view of the large cash allowances which are important even at high wage levels.

Family allowances introduce an entirely new principle: whereas the tax relief in respect of children is effective only if in its absence tax would be payable, and in some countries its size is of limited significance until higher levels of income are reached, family allowances aim at ensuring that, whatever the wage, the revenue of the family should increase with additional children by an amount corresponding to the cost of maintaining them at a minimum level. The actual differences between countries arise not so much in the principle as in its application, in so far as the allowance is kept strictly at a minimum in some but is comparatively generous in others. Family allowances expressed in percentages of wages hide the fact that the purchasing power of wages in terms of necessities varies from country to country and is particularly low in the countries where family allowances have gained in relative importance.<sup>2</sup>

Apart from this consideration, however, the motives for introducing family allowances were, undoubtedly, not everywhere the same. By giving an additional income to large families poverty due to the fact that wages do not vary with family size is greatly reduced, but at the same time a tendency is introduced to encourage larger families: it would appear that in one set of countries the emphasis is on the first and, in the other, on the second of these aims. Thus in the United Kingdom and Norway no allowance is paid in respect of the first child,<sup>3</sup> while in France and Belgium, not only is an allowance paid for the first child, but also an additional allowance to mothers who abstain from paid employment.<sup>4</sup> Also, in countries where allowances are high they are so much part of the

wage system that frequent adjustments are made to changes in prices, whereas in other countries adjustments tend to be made only at longer intervals.<sup>5</sup>

A special problem arises in connection with married women at work, since income tax systems generally appear to be devised on the assumption that only the head of the family earns an income. With high rates of taxation married women may abstain from going out to work, because the additional tax and the extra expenses involved (such as meals out) may not leave a sufficient margin for incentive. In general, under a progressive system the tax on the incomes of husband and wife is higher when the two incomes are added together than when they are taxed separately. France, however, is an exception, since the income of a married couple is divided by 2 and the two parts taxed as if they were separate incomes; by this method, the tax would be lower than or the same as if the two incomes were taxed separately. An identical formula has been used in the United States since 1948, and there married women also have the right to separate assessment if they so choose.

In France (as in the United States), however, the main benefit from the tax formula accrues regardless of whether one or two incomes are earned in the family, and the increase in the tax on account of the earnings of the wife is the same as if the husband had additional earnings. Moreover, in France a cash allowance is paid to women for two years after marriage if they abstain from outside work; that is, the State subsidizes them to retire from the labour market during the period when married women are most likely to stay at work.<sup>6</sup> In the United Kingdom, on the other hand, married women receive an additional earned-income allowance which, together with the general earned-income allowance, has the effect of entirely exempting their earnings from tax up to a limit which, during the war, was made to correspond to the tax-free income of a single person. As the result, about two-thirds of the average wage earned by women in full-time employment is free of

<sup>1</sup> For a recent systematic compilation of all economic measures in favour of the family in the different countries, cf. *Economic Measures in Favour of the Family*, United Nations Department of Social Affairs, New York, 1952.

<sup>2</sup> Cf. *Economic Survey of Europe in 1951*, Table 53.

<sup>3</sup> Further, in the United Kingdom the cost of maintenance is calculated on a low physical standard from which a deduction is made for school meals and milk provided free. Special schemes to provide free or subsidized food for children, which are not included in the figures here, are valued at over one-half of the cash allowances.

<sup>4</sup> In France, with only one child in the family, the child's allowance is paid only while he is under five years. But if only one of the parents is an earner, an allowance is always paid to the other parent.

<sup>5</sup> In the United Kingdom, for instance, the allowance was out of date in 1950 in relation to the physical standard on which it was purported to be based, but in the autumn of 1952 it will be raised from 5s. to 8s. per week for each child other than the first. In Norway the allowance was raised from 180 kr. to 240 kr. per annum in 1951.

<sup>6</sup> The effect of this measure, which was introduced during the war, is, however, mitigated by large-scale fraud in so far as those receiving the allowance do go out to work. But in order to make the fraud possible they have to evade taxes on wages, thus causing a further loss to the State.



tax and the whole amount for those in part-time work. Further, in countries with comprehensive schemes for social security, married women often contribute whether at work or not, in which case their earnings would not be further reduced.

#### *Methods of Collection*

Income tax is paid directly by the wage-earner, exclusively on the basis of personal returns, in Denmark, France,<sup>1</sup> Norway, Switzerland and (the local tax only) in Italy. All other countries have gradually switched over to collection at source, by the employer, first <sup>2</sup> in Germany in 1920, and finally in the United Kingdom in 1943.<sup>3</sup>

The advantage of deduction by the employer is that it takes place at frequent intervals—weekly or monthly—as wage payments are made.<sup>4</sup> This may be convenient for the worker, who then has no need to make provision for tax payments. At the same time, the revenue of the Treasury becomes more flexible in so far as it follows fluctuations in income payments without any lag, and hence taxation is able to play a more important role in damping cyclic fluctuations in the economy. On the other hand, it is more difficult to change tax rates, since a time lag, often considerable, must elapse in the case of all except the simplest taxes while instructions are issued and tables prepared for the new tax schedules.<sup>5</sup> A more serious consideration is that deduction at source focuses the attention of the worker on net income (take-home pay) and not on his wage; hence stronger attempts might be expected to shift the tax payable by him on to other shoulders. It is generally believed, though it is difficult to prove conclusively, that the danger of shifting the tax is far less if there is a substantial time lag between earning the income and paying the tax.

It is more doubtful that, as is sometimes maintained, deduction at source leads to more efficient collection, in the sense that evasion is minimized and the costs of

collection reduced. There should be no major difficulty in checking evasion by wage-earners since, in so far as taxation is based on personal returns, efficient tax administrations supplement these by returns from employers of wages paid,<sup>6</sup> and, in fact, no important tax evasion by wage-earners is known. Evasion would be possible only through collusion between worker and employer, and collusion could take place equally under both methods of collection; it is, however, obvious that the incentive for collusion is greater under some systems (e.g., progressive income tax) than under others (flat contribution, or if the contribution is the condition for certain benefits). As regards the cost of collection, deduction at source greatly reduces the costs incurred by the authorities, and this consideration may have been important in introducing such systems; but little has been achieved except that the costs of collection have been shifted from the Treasury to the employer.

Deduction of tax by the employer is not the end of the story for income tax payments (but it is, in general, for social security contribution) as the worker may have other income or the income of the family may have to be aggregated to determine the tax that should have been payable. In such cases the worker is still obliged to make a personal return and pay over the difference. In the United Kingdom income other than wages received in the previous year is set against the tax-free portion of income, so that the weekly deductions by the employer will cover the tax. In Sweden the worker can arrange with his employer to deduct an additional amount from his wage in order to pay tax on his other income; he has an incentive to do so, as advance tax payments are cumulated at a generous rate of interest.

The major practical problem, however, is the case of earnings which fluctuate, since under a progressive tax system the worker would pay more on a fluctuating than on a steady income. Tax tables indicating weekly or monthly payments can be prepared without undue complications only if it is assumed that income over the year does not fluctuate. Hence, provision must be made for the repayment of some tax in cases where tax was overpaid. In the United Kingdom the annual personal return is compulsory, and hence

<sup>1</sup> Since the abolition of the scheduled tax on wages in 1948.

<sup>2</sup> Excluding special schemes for civil servants.

<sup>3</sup> Denmark is the only country where social security contributions, as well as income tax, are paid directly by the worker.

<sup>4</sup> It does not follow that the employer pays the tax over to the authorities at the same time; but, if necessary, this can be easily arranged.

<sup>5</sup> Unless all average tax rates are changed proportionately, which is a method for which a strong argument can be put forward.

<sup>6</sup> It is also of great help to have devices, such as the one adopted in Denmark and Switzerland (Geneva), by which all persons over 18 or 20 years (except married women) have to make a tax declaration whether they have an income or not.

automatic provision is made for repayment.<sup>1</sup> In Italy, on the other hand, in the case of the scheduled income tax no refunds are possible. Elsewhere annual returns are optional, and the burden of claiming refunds is on the worker; it is known that in some countries the administration is so complex that it is hardly worth claiming refunds.

It would be interesting to know the extent to which, in fact, fluctuating earnings are important, especially in countries with little unemployment and a comparatively simple income tax system. It might be thought,

<sup>1</sup> In the United States the tax tables are so arranged that the worker normally pays more than necessary and is therefore induced to make a complete return of income.

for instance, that in the United Kingdom the problem would be less significant than elsewhere, but it appears that the system of deduction at source is the most complicated in that country. Tax tables are not based on the earnings of the relevant week or month, but are cumulative, being based on earnings from the beginning of the tax year onwards; that is, an attempt is made, at frequent intervals, to adjust the tax payment to the theoretically correct figure. Whether this additional refinement is worth the extra cost involved, and the consequent rigidity of the system where any change may take months to come into force,<sup>2</sup> is doubtful.

<sup>2</sup> Except in the case mentioned in footnote 5 on p. 44, for which, however, there is no precedent in the United Kingdom.

#### 4. SOME ECONOMIC EFFECTS

All taxes and public expenditures give rise to a complex of economic effects which, for analytical purposes, can be classified as effects on the distribution of income, on the willingness to work, on the general level of employment and on the distribution of labour; these effects are discussed in this section.

In analysing the effects of a tax (or a public expenditure), the state of affairs with that tax in existence must be compared to another situation. The aim is to analyse the effects of particular taxes in contrast to those of other taxes, and hence it will be assumed throughout that the alternative to any of the taxes discussed is the raising of the same amount of revenue by some other tax or by increases in all other taxes; the analysis is not concerned with the effects of variations in the total amount of taxation or of public expenditure.

##### *Effects on the Distribution of Income*

If a wage tax is put on the employer, he will try to raise his selling price in relation to wages, and thus shift the tax to wage-earners and others; if a tax is put on the wage-earner, he will tend to demand higher wages, and thus shift the tax to the employer. In general, the incidence of a part of the taxes is not on those who pay them, but it is uncertain to what extent, in particular circumstances, taxes are shifted. Since at any time not only taxes change but also many other economic factors, and the change in some

of them is quantitatively more significant than in the taxes considered, it is not likely that the degree of shifting can be measured by empirical study.

The main characteristic of the wage or employment tax paid by the employer is its generality, which makes its effects different from taxes paid by a single firm or a single industry only. To analyse the effects on the distribution of income of the tax paid by the employer, one can look upon that tax as if it were a payroll tax—that is, a tax proportionate to the wage bill. The fact that the rate of the tax on different types of labour is different, including the complete exemption of certain types, is likely to be of secondary importance and to affect the allocation of resources rather than relative wages.

The employer's reaction to a payroll tax is exactly the same as to a general rise in wages: he will try to raise prices and thereby maintain profits, and, in fact, he is likely to raise prices not by the amount of the tax but by the percentage increase in costs.<sup>1</sup> There is no reason why he should not succeed, since competitors are in the same position<sup>2</sup> and total purchasing

<sup>1</sup> If price is raised by all employers in proportion to the increase in costs, the percentage share of wages in national income will be reduced by the full amount of the tax. If price is raised only by the amount of the tax, the percentage share of wages in national income will not be reduced, but of course its purchasing power will fall.

<sup>2</sup> Except foreign competitors. But in the longer run exchange rates are adjusted to changes in costs, and the tax is only one of these changes. Import costs will rise in the same proportion as domestic costs, and hence the existence of international trade will not modify the proposition in the preceding footnote.

power has not changed. The process which is in fact followed depends very much on the institutional framework existing when the tax is imposed, including price controls and trade union organization. Prices are not raised immediately by the full amount, and any rise in prices is likely to be followed by wage increases. During this period part of the tax is borne by the employer, and also by those living on fixed incomes. In the longer run, however, the employer is more likely to pass on the tax completely, not by cutting the living standards of workers, but by retarding the increases in wages which would normally take place as productivity increases. How far the employer could shift any other tax in the same way is difficult to know: but it is less likely that a tax on net profits (that is, related to capacity to pay) would be shifted to the same extent as a payroll tax or any other tax on costs.

The general shifting of the employer's contribution to the worker can be regarded as impossible, and also the imposition of direct taxes on workers, only on the assumption that workers live on a subsistence level;<sup>1</sup> which is hardly the case in western Europe today. Indeed, the magnitude of taxes on wages and employment in a few countries is such that a large number of employers could not pay them out of net profits.

Direct taxes on wage-earners, on the other hand, are more difficult to shift. First, whereas the employer can usually decide on the price of his product, the worker cannot unilaterally fix his wage. Any rise in the direct taxes paid by the worker can be shifted only through bargaining with the employer, and this process takes time. Further, the employer's attitude will be the same as in the case of a tax on the wage bill: he may grant an increase in wages and then raise prices, or retard the more long-term rises in wages which follow increases in productivity. Secondly, the tax paid by the worker is varied in so far as attempts have been made to adjust it to capacity to pay—that is, to income and to family size. Wage claims due to a progressive tax are likely to be less strong than those due to a tax at a uniform rate yielding the same revenue, partly because the former tax is felt to be more just, and partly because the amount of tax paid by a representative worker is

less in the former case, as those with a higher wage (who are fewer) pay proportionately more.

The influence of family allowances on the level of wages is more complex. In general, they reduce the pressure for higher wages,<sup>2</sup> especially in the instances where they are specifically granted in lieu of wage increases, and because they benefit those in the greatest need. On the other hand, the benefit is very unevenly distributed between workers—particularly in countries where the first child receives no allowance—and hence their importance to the representative worker is less than would be that of a general wage subsidy involving the same expenditure. Further, the bargaining position of the worker with a family is strengthened through the receipt of a fixed income.

It so happens that in the countries where family allowances are the highest relatively to wages—France, Italy and Belgium—these are financed entirely by a wage tax on employers. Hence, even if it is found that wages are depressed in these countries, this is not necessarily due to the existence of high family allowances, but rather to the particular methods of financing them.<sup>3</sup> But, whatever the effects of the taxes and family allowances discussed here on the distribution of income between wages and profits, they nevertheless bring about a redistribution of incomes from single persons and small families to large families.

#### *Effects on the Willingness to Work*

It is often suggested that a progressive tax—whatever its merits on other grounds—has the drawback that it reduces the willingness to work, but this is not always true. Any tax which varies with income (whether in proportion or not) reduces the net return for both a given amount of work and for additional work. If the net return for a given amount of work is reduced, the willingness to work more is likely to increase; but the reduction in the net return for additional work diminishes the willingness to work,

<sup>2</sup> It is worth noting that the British trade unions, for instance, for a long time in the past opposed the introduction of family allowances.

<sup>3</sup> It is interesting to note, for instance, that the percentage share of wages in the national income of France decreased between 1938 and 1950 by an amount corresponding to the increase in taxes on wages paid by employers. (Cf. *National Accounts Studies—France*, Organization for European Economic Co-operation, Paris, June 1952.)

<sup>1</sup> This was assumed by all the physiocrats and most of the classical economists when analysing the incidence of taxes on labour.

and it is impossible to say in the abstract what the net effect of these two opposing tendencies is likely to be. A poll tax can be assumed to increase the willingness to work, since it is paid irrespective of the amount of work performed, and income tax to diminish it at the point where tax begins to be paid, since there the net return for additional work is reduced without a reduction in that for work already performed.

The rates of direct taxes paid by the single worker vary—apart from Italy, where these taxes are small—from 10 to 40 per cent of the additional earnings, as shown in Table 5. If one excludes the lowest wage level, where the incentive to earn more is probably high, the marginal rates of tax are above 20 per cent for single men in almost all instances, but for families with three children this rate is exceeded only in the northern countries, because of the local income tax, and, for very high wages, in the United Kingdom and Switzerland. A rate of about one-third of additional earnings is reached in the case of the better-paid single worker in the Netherlands, the United Kingdom<sup>1</sup> and Sweden, and for the highly paid also

<sup>1</sup> The 1952 budget did not materially alter the marginal rates for single men, but reduced those for married men with three children, especially in the range of 2 to 3 times national income per head (from 17 to 11 per cent).

in Norway and Austria. But in the same set of countries the average rate of tax paid by these categories of workers is also high, and this would offset, even if not to the full extent, the adverse effect of the high marginal rates.

It is an interesting coincidence that in the countries where direct taxes on workers are least progressive family allowances are the highest and, therefore, on the basis of the data given here, the incentive for a man with a large family to work for additional income is relatively small. But it is doubtful whether this effect is quantitatively significant, since for a man with a large family the incentives to work are normally higher than for the average worker.

Complaints are heard against all taxes from those who pay them, but that does not prove that in the absence of such taxes the willingness to work would be higher. All in all, the disincentive effect of a progressive direct tax on workers is likely to be less than is frequently supposed. There are two reasons for this. First, the aim in obtaining higher earnings is often higher social position, and progressive taxation leaves relative social position unchanged. Secondly, progressive taxation would seriously affect the incentives to work of a limited number of workers only,

**Table 5**  
**PROPORTION OF MARGINAL WAGE TAKEN IN DIRECT TAXATION (LESS FAMILY ALLOWANCES)**  
**IN 1950**  
*Percentages*

Family type	Single man					Married man with 3 children				
	1 to 1½	1½ to 2	2 to 3	3 to 4	4 to 6	1 to 1½	1½ to 2	2 to 3	3 to 4	4 to 6
Range of income in multiples of national income per head										
Austria . . . . .	19	26	30	33	48	10	13	16	13	25
Belgium . . . . .	19	11	14	20	21	8	2	16	14	15
Denmark . . . . .	20	24	24	30	30	10	19	23	28	32
France . . . . .	14	11	13	16	26	6	2	—	5	10
Western Germany . . . . .	15	23	26	27	33	10	10	14	13	24
Italy . . . . .	3	4	6	6	7	2	3	5	6	6
Netherlands . . . . .	25	28	35	32	43	9	12	17	17	30
Norway . . . . .	23	24	28	39	43	1	24	18	25	35
Sweden . . . . .	24	27	31	33	39	20	22	25	28	35
Switzerland . . . . .	12	12	18	23	27	3	6	15	22	22
United Kingdom . . . . .	20	20	34	36	36	—	—	17	29	36
United States . . . . .	19	20	21	24	28	2	1	13	18	19

Note. — The figures are based on the same data as those of Table 3. The calculation was made as if the marginal rates of tax were constant within each income range shown.



and with modern systems of production it is difficult for these workers to have different hours from the rest, although the intensity of work may to some extent vary. Working hours, as well as the intensity of work, are conditioned by a number of factors, not all of them economic, among which taxation is only one and probably not the most important. It should not be impossible for Governments to exercise an influence on the amount of work performed which would counterbalance any of the ill effects of tax policy.<sup>1</sup> Any discussion of the effects of taxes on incentives to work, however, is relevant only in a state of full employment, since otherwise it is demand and not supply which determines the amount of work performed; and the effects of a state of full employment, by reducing restrictive practices, may be far more important than the effects of particular taxes.

Incentives to work are likely to be reduced not so much by the tax as such, as by the complications surrounding it. The worker often thinks, especially where tax is deducted at source, that the liability on account of extra work is more than in fact it is. In the United Kingdom, for instance, the standard rate of the income tax is much advertised, but a man would have to earn about five times the average wage in industry before he is affected by it; more commonly he pays a rate on additional income which is much lower.<sup>2</sup> Simpler tax systems, and a better understanding of them, are in many countries likely to have more advantageous results than reductions in the rates of taxes.

#### *Effects on the Level of Employment and the Distribution of Labour*

Direct taxes on wage-earners influence the supply of labour in the manner just described; the taxes on the employer, on the other hand, influence the demand for labour and hence the general level of employment. In so far as the employer's contribution is shifted through higher prices, there is no effect on the total demand for labour. In so far as employers do not succeed in raising prices, profits will be lowered

and some firms will reduce employment.<sup>3</sup> This effect, however, is not likely to be strong enough to be noticed distinctly from the effects of general employment policy.

Wage taxes on the employer are, however, likely to have an adverse effect in certain circumstances at the time when they are imposed. If they are imposed when there is heavy unemployment (replacing some other tax), demand for labour may be reduced and unemployment aggravated. It does not follow, however, that under conditions of full employment such taxes are useful to check demand for labour, since they increase costs and may easily enhance inflationary pressures. Also, in normal circumstances these taxes exercise a disturbing influence on international trade, though in exceptional cases, when a currency appears to be temporarily under-valued, they may appear suitable as a corrective measure.

Payroll taxes have been recommended by several authorities as useful devices to damp cyclic fluctuations in the economy, because their rate can be easily changed. This, however, equally applies to all taxes if Governments wish to have proportionate changes in them. In fact, the progressive taxes exercise an automatic damping influence, since, with a rise in the national income, a more than proportional increase in tax receipts is to be expected; devices have been found to reduce the time-lag between the increase in incomes and the increase in tax receipts.

The taxes on the employer, even if they have no general effects, are likely to exercise discrimination in favour of employing skilled workers as against unskilled,<sup>4</sup> as the tax appears to be generally regressive in relation to wages paid, and in favour of employing technicians whose wage may be altogether above the taxable amount. Further, if wages are depressed relatively to profits, employees are more likely to start small businesses on their own account. These effects can, of course, be significant only in those countries where the tax is both considerable and regressive, as in Italy, France or Belgium.

In so far as the wages of unskilled workers are not depressed in relation to wages in general, the demand for unskilled labour will fall and unemployment

<sup>1</sup> One effect of taxation may be, however, that the worker is encouraged to work less for an employer and more for himself (e.g., paint his house). This would damage the division of labour in the economy, although it may have social advantages. But all taxes tend to have this effect, and so do all monopolistic practices.

<sup>2</sup> The standard rate is now 47½ per cent, and the reduced rates on earned income are given in footnote 7 on page 41.

<sup>3</sup> This is less likely to happen in the case of a tax on net profits, since firms earning low profits pay little tax.

<sup>4</sup> The same applies to the employment of men as against women, since women's wages are lower.

ment will be aggravated.<sup>1</sup> This will happen partly because individual firms will shift to techniques of production employing relatively few unskilled workers, and partly because industries employing unskilled or female labour will be put at a disadvantage. Substitution of capital for labour will also take place, because the cost of capital reflects skilled rather than unskilled work. If, however, Governments pursue a positive employment policy, these changes in the distribution of labour and industry will take place without any effect on the general level of employment, and from a long-term viewpoint it may even be advantageous to stimulate the employment of skilled workers. This argument is not, of course, applicable to countries with widespread unemployment.

In contrast with the no doubt unintentional discrimination according to types of labour, wage taxes on employers often fail to discriminate where such discrimination would be justified—namely, according to the social costs of employing labour. Contribution for workmen's injury insurance is generally set at different rates for different industries or firms, reflecting the rate of accidents; this is a reasonable procedure, because by this means costs of production are made to embody the costs of injury and resources will be allocated correspondingly. The notable exception is the United Kingdom, where, since the initiation of the comprehensive social security scheme in 1948, employer's contribution for workmen's injury has been at a flat rate per worker. This implies that the financial incentives for any single industry to reduce its accident rate are lessened, and industries with a high accident rate, such as the coal mines, receive a hidden subsidy.

The United States went farther than European countries in so far as the employer's contribution for unemployment insurance partly reflects the unemployment experience of individual firms or industries. Under conditions of general unemployment there would be little merit in such discrimination but with high levels of employment it appears reasonable to make firms or industries pay the cost if, for instance, their production schedules are arranged in such a way that seasonal unemployment is created. In most countries other industries subsidize, for instance, seasonal unemployment in building; if tax

rates were adjusted,<sup>2</sup> the building industry would either have to devise means to eliminate seasonal fluctuations or charge its customers with the cost.

\* \* \*

It has been shown in this article that the direct taxes paid by the worker form a progressive proportion of income in western European countries and that these taxes, together with family allowances, create a differential in favour of the large family, though the degree to which this happens varies from country to country. The variation in the weight of wage and employment taxes paid by employers is even greater, and the most notable development of recent years has been the increase in the size both of family allowances and the tax paid by the employer in France and Italy, and to a lesser extent in the Netherlands, Belgium and Austria.

Very little could be said here which would in itself justify or condemn particular taxes, since a large number of other factors, including the institutional framework of particular countries, have not been taken into account. As regards effects on the distribution of incomes, for instance, policies cannot be judged except on the basis of the redistributive effects of taxation and public expenditure as a whole, and here only one set of taxes and one item of expenditure have been discussed. For this reason, comparisons which would have validity in terms of economic welfare are not possible either between countries or, for a given country, through time or between income levels. This qualification must be borne in mind especially in connection with the set of taxes discussed here, because in different countries, at different times and for different income groups, these taxes were supplemented by indirect taxes to a greatly varying degree and paid for a widely different set of benefits: one country, for instance, may have put a heavy income tax on workers but no other taxes, another may have relied exclusively on indirect taxes, and in a third taxes falling on workers (both direct and indirect) may have been high but the State provided correspondingly more social services.

As regards effects on the general level of employment and activity, taxes are only one of many means of

<sup>1</sup> In the same way, employers will encourage overtime work rather than employ additional men, and this again increases unemployment.

<sup>2</sup> As in the Netherlands, where there is a special "winter fund" for building.

policy, and, if an otherwise desirable tax had undesirable effects on activity, corrective measures through other policies could easily be found. But some countries do not pursue a positive employment policy, and in such countries the effects of particular taxes on the level of activity must be given serious consideration.

In all countries the tax on the worker is composed of a social security contribution, which is universal and roughly calculated, and an income tax, which is selective and related to capacity to pay. The result appears to be satisfactory in the main, partly because direct taxation affects all citizens with an income, and partly because it tends to mitigate inequalities in the distribution of income, which is to a large extent determined by inborn qualities, historic accidents and luck, rather than by effort. There are only a few instances where countries deviate from the general pattern. In western Germany, for instance, the direct taxes on the worker with a large family are scarcely progressive, and there is no system of family allowances to remedy this. In Italy the direct tax paid by the worker is exceptionally low, but only because revenue is collected from him largely through indirect taxes which are regressive; the over-all regressive effect is offset by family allowances for some categories of workers only.<sup>1</sup>

The tax paid by the employer has certain administrative and, perhaps, social advantages which, however, may be more than offset by other effects in France and Italy, and to a lesser extent in some of the smaller countries, where this tax is high. The tax paid by the employer is undesirable, not necessarily because it

is likely to be shifted to workers, but because its incidence is highly uncertain. If Governments aim at taxing the working classes, it would be preferable to impose taxes which are paid consciously by those on whom the burden falls.

Finally, there is a great need in all countries for a simplification of the set of taxes and allowances considered in this article. The several income taxes paid by the worker, and the several social security contributions paid either by him or the employer, could be consolidated; but, on the other hand, systems of taxation for workers could be profitably separated, for practical purposes, from systems affecting the relatively few higher incomes only. A conspicuous case for simplification is the overlap which exists in most countries between family allowances and income tax family relief.<sup>2</sup> The income-tax relief was abolished only in Sweden in recognition of the permanent place in public finance of cash allowances for children.

In Denmark family allowances are at a reduced rate at higher income levels, and in the United Kingdom, Norway and the Netherlands they are subject to income tax, and it might be suspected that in France they have rendered unnecessary the unusually large income-tax relief given to families, which greatly diminishes progression at the higher levels of income. A number of private proposals have been put forward for simplification, but no action has as yet been taken. The first need, in more than one country, is for the simplification of tax administration and the better understanding of the system by the taxpayer, and to a large extent this must be preceded by simplification in the tax structure itself.

<sup>1</sup> It must also be remembered that for the three northern countries and Switzerland local taxation was also dealt with in this article, and for the other countries the addition of local taxes, which tend to be regressive, would somewhat modify the comparisons.

<sup>2</sup> This would involve making family allowances universal as in Sweden, the United Kingdom, France and also Finland. But the additional cost would be small, as most families are already covered by the various schemes.

# Appendix

## Sources and Methods used in the Article "Taxes on Wages or Employment and Family Allowances in European Countries"

### A. NATIONAL INCOME PER HEAD AND AVERAGE INDUSTRIAL WAGES<sup>1</sup>

The estimates for 1950 of national income per head of population, average annual wages for adult men in industry, and family allowances paid to a family with three children, which were used in a number of calculations throughout the article, are shown in the following table :

Country	Unit	National income per head	Average annual wage for adult men	Allowance for family with three children
Austria . . . . .	Thousand schillings	4.73	12.2	1.33
Belgium . . . . .	Thousand francs	30.7	49.6	12.2 <sup>a</sup>
Denmark . . . . .	Kroner	4,370	8,030	336
France . . . . .	Thousand francs	161	211	169 <sup>a</sup>
Western Germany . . . . .	Deutschmark	1,430	3,360	—
Italy . . . . .	Thousand lire	136	371	103
Netherlands . . . . .	Guldens	1,480	2,710	424
Norway . . . . .	Kroner	3,140	6,940	360
Sweden . . . . .	Kronor	3,510	6,020	780
Switzerland . . . . .	Francs	3,640	6,190	900
United Kingdom . . . . .	Pound sterling	218	390	26.0
United States . . . . .	Dollars	1,550	3,160	—

<sup>a</sup> Assuming that the mother is not in employment.

The figures in the first column represent estimates of net national income at factor cost divided by mid-year population estimates. The national income data were taken from the original national sources and, for a few countries, from the country studies of the O.E.E.C. National Accounts Research Unit. Whenever necessary, an adjustment was made to exclude employer's contribution to social security, since this is here regarded as a price-raising tax. Reference should also be made to the methods described in the *Economic Survey of Europe in 1950*, page 237.

To estimate the average annual wage received by an adult man in full-time employment, assumed to be paid for 50 weeks out of 52, the following methods were used :

*Austria* : Average weekly earnings in manufacturing multiplied by 50. A simple average of the wages of skilled and unskilled men was used, as their relative numbers cannot be determined from published sources.

*Belgium* : Daily earnings in manufacturing multiplied by 300 (6 × 50). It is not known from published sources how daily earnings are calculated, but it was assumed that multiplication by 6 would give weekly earnings. In principle, holidays with pay (which are paid via the social security funds) are included in the pay for 50 weeks.

*Denmark* : Average of hourly earnings in industry, given quarterly, multiplied by 2,250, the estimated average annual hours of work for men. Further, 4½ per cent added for paid holidays.

*France* : Hourly wage rates in all activities increased by 12 per cent (based on an inquiry in January 1949) to arrive at hourly earnings. The latter were multiplied by 45, the actual hours of work per week, and by 50. Average of five end-of-quarter figures.

*Western Germany* : Weekly earnings in manufacturing multiplied by 50. Average of five end-of-quarter figures.

*Italy* : Earnings for men and women are not published separately. The estimate is based on the average earnings of all workers in industries which employ men predominantly. Hourly earnings were multiplied by 45.5, the estimated weekly hours, and by 50.

<sup>1</sup> All the calculations on wages relate to manual workers only.



*Netherlands* : Weekly earnings in manufacturing and mining in September–October multiplied by 50.

*Norway* : Average of hourly earnings in manufacturing and mining, given quarterly, multiplied by 2,103, the average annual hours of work.

*Sweden* : Average of hourly earnings in manufacturing and mining, given quarterly, multiplied by 2,230, the average annual hours of work.

*Switzerland* : Hourly earnings in industry and handicrafts in October, multiplied by 2,380, the average annual hours of work.

*United Kingdom* : Average of weekly earnings in manufacturing in April and October multiplied by 50.

*United States* : No data on earnings of men only are published. The National Industrial Conference Board published, however, series on weekly earnings for men and women separately until 1948, and the average weekly earnings of all workers in manufacturing in 1950 were adjusted, in proportion to the 1948 figures, to obtain the wages of men only. This was then multiplied by 50.

For Austria, Belgium, Denmark, France and Western Germany, published sources do not indicate whether the figures refer to adult men only or to all male workers.

National income estimates for 1911 to 1938 are taken from *National Income Statistics, 1938–1948*, United Nations, page 227, and *Statistics of National Income and Expenditure*, United Nations Statistical Papers, Series H, No. 1. In addition, the estimate for Switzerland for 1913 is taken from C. Clark, *The Conditions of Economic Progress* (2nd edition, London, 1951); for Italy estimates for 5-yearly averages 1921–25, 1926–30 and 1931–35 are given in F. Coppola d'Anna, *Popolazione, reddito e finanze pubbliche dell'Italia dal 1860 ad oggi*, Rome, 1946, and the estimate for 1938 is given in the *Economic Survey of Europe in 1949*, page 273. Instead of figures for 1921, 1928 and 1934, the 5-year averages are used. In so far as feasible, net national income at factor cost was taken, but, as explained in the sources quoted, a number of the series are on a different definition. The following estimates of national income per head of population for the years 1911 to 1938, expressed in units of national currency, were used for the calculations in the article :

	1911	1920	1928	1934	1938
France . . . . .	810 <sup>a</sup>	2,800	5,530	4,470	8,800
Germany . . . . .	680 <sup>b</sup>	960 <sup>c</sup>	1,180	675 <sup>d</sup>	1,160
Italy . . . . .	550	2,200 <sup>e</sup>	2,330	1,780	2,990
Sweden . . . . .	540	1,900	1,200 <sup>c</sup>	1,250	1,700
Switzerland . . . . .	1,000	1,980 <sup>f</sup>	2,350 <sup>g</sup>	1,830	1,960
United Kingdom . . . . .	48	123	91	84	100
United States . . . . .	320 <sup>a</sup>	695	680	385	520

<sup>a</sup> 1913      <sup>b</sup> Prussia.      <sup>c</sup> 1925.      <sup>d</sup> 1933.      <sup>e</sup> 1921.      <sup>f</sup> 1924.      <sup>g</sup> 1929.

## B. TAXES AND FAMILY ALLOWANCES

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### Austria

#### Sources

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#### Notes

Income tax includes the tax on wages and the surtax for occupation costs. The former is shown according to official tax tables. On 1 October 1950, the ceiling for social insurance contributions was changed; the calculations refer to the situation before that date.

### Belgium

#### Sources

Arrêté du Régent du 15 janvier 1948 portant coordination des lois et arrêtés relatifs aux impôts sur les revenus; Loi du 14 février 1950 apportant pour l'exercice 1950 des modifications au montant de certains impôts sur les revenus et de la contribution nationale de crise; "Barèmes des impôts à retenir à la source sur les traitements, salaires et pensions payés à partir du 1<sup>er</sup> janvier 1950", *Moniteur Belge*, 16 December 1949; Direct communication relating to family allowances.

#### Notes

The calculations refer to towns of 30,000 or more inhabitants. The official tax table refers to income after the deduction of social security contribution and, for purposes of calculating the tax, the allowance for expenses connected with going out to work is also taken into account; it covers the income tax (taxe professionnelle), the national crisis contribution and the personal surtax, but not the surcharge on income tax (centimes additionnels) for which an addition had to be made. Employer's contribution for holidays with pay is regarded as a wage payment rather than as a tax.

### Denmark

#### Sources

Bekendtgørelse angående fastsættelsen af den fælleskommunale indkomstskat for skatteåret 1950/51 of 31 March 1950; *Ejendoms- og Personbeskatningen i skattedret 1950/51*; Lov om udskrivning af indkomst- og formueskatten til staten for skatteåret 1950/51 of 31 March 1950; *Lovtidende*, 26 February 1949, 31 March 1950; *Socialt Tidsskrift*, a Survey of the Danish Social Legislation, Social Denmark, Copenhagen, 1947; *Socialt Tidsskrift*, 1951; *Statistisk Årbog for København, Frederiksberg og Gentofte*, 1950; Direct communication relating to social security contributions.

#### Notes

State income tax includes the equalization-fund tax, and local income tax the church tax. The calculations refer to Copenhagen and are based on income less insurance premiums and tax paid in the previous year. For the local tax they are based on interpolation in the tax tables. Sickness insurance, although voluntary in principle, is a condition for old-age pensions and hence contracting out is rare. The sickness insurance contribution of the worker varies with age, and his contribution for unemployment insurance with the industry in which he is employed; in both cases national averages have been taken. The average contribution for workmen's injury insurance is estimated.

### France

#### Sources

Loi fiscale du 31 juillet 1917, modifiée par la loi du 25 juin 1920; lois codifiées du 15 octobre 1926; lois codifiées du 20 juillet 1934; Code général des impôts du 6 avril 1950; loi de finances pour l'exercice 1951, du 24 mai 1951; various laws on social security; *Bulletin de la Statistique générale de la France*, Supplement April-June 1949; Ministère des finances: *Impôts cédulaires et impôt général sur le revenu*, Paris, 1928; *Notions élémentaires sur les impôts directs*, Paris, 1926; *Statistiques et études financières*, January and March, 1951; Ministère des finances, du budget et des affaires économiques: *Inventaire de la situation financière* (mise à jour en 1951 de l'*Inventaire* de 1946).

#### Notes

Income tax for 1920 to 1938 included a scheduled tax and a general income tax. By the law of 11 March 1932, employers were compelled to join a recognized family allowance fund and minimum rates of allowances were fixed each year. The amount of the contribution was not fixed by law until 1945.

The proportionate scheduled income tax on workers was suspended for an indefinite period in 1948 and only the progressive surtax retained. Social security contributions and expenses connected with going out to work are deducted from income. Family allowances, instead of being raised as prices rise, are sometimes supplemented by extraordinary payments for particular months, and these were included in the calculation of the annual figures.

### Germany

#### Sources

Law of 19 June 1906 on income tax in Prussia; Law of 10 August 1925 on wage tax; Consolidated law on income tax of 1933; Decree of 6 February 1938 on wage tax; Law of 22 June 1948 on tax reform in western Germany; Decrees of 16 October 1948 and 16 June 1949 on wage tax in western Germany; Wage-tax tables of 3 May 1950 for western Germany.

#### Notes

Income tax for 1920 to 1938 includes the tax on wages, and for 1933 also a special progressive tax on bachelors, and another progressive tax in aid of the unemployed; the crisis tax of 1933 was applied only at higher levels of income. Income tax is taken from official tax tables, which take account of the deduction for expenses for going out to work. The social insurance contribution refers to the general scheme, which excludes agriculture and mining.

### Italy

#### Sources

Laws on taxation and social insurance; Banca commerciale italiana, *Norme sulla perequazione tributaria e sul rilevamento fiscale straordinario*, Milan, 1951 and 1952; O. Bosio, *L'imposta di famiglia*, Milan, 1952; G. Panusa and R. Merlino, *La legislazione tributaria sui redditi di lavoro subordinato*, Rome, 1951; L. Einaudi, *Il sistema tributario italiano*, 4th edition, Turin, 1939; Istituto nazionale della previdenza sociale, *Mezzo secolo di attività assicurativa e assistenziale (1898-1948)*, Rome, 1951; F. Nitti, *Scienza della finanze*, 5th edition, Naples, 1922; O. Paretti, *Sintesi della previdenza sociale*, 3rd edition, Naples, 1951; A. De'Stefani, *Manuale di finanza*, Bologna, 1943; Direct communication on local taxation.

#### Notes

Income tax includes the scheduled tax, since 1925 the progressive surtax, and for 1928 to 1938 the progressive tax on bachelors. The estimates do not take account of that component of the tax on bachelors which varies with age. Local income tax is for Rome.

Social security contribution is deducted from income and, for the local income tax, also payments of the State tax. Social security contribution included in 1950 contributions to *fondo solidarietà* and I.N.A.-Casa.

### Netherlands

#### Sources

Centraal Bureau voor de Statistiek, *Belastingdruk in Nederland 1950*, The Hague, 1951; Smeets en Meihuizen, *Beknopte Belastinggids*, Amsterdam, 1951; Direct communication on social security contributions.

#### Notes

Income tax is taken from official tables. Family allowances are subject to income tax. Unemployment insurance was introduced in 1952, both worker and employer paying 1 per cent of wage.

### Norway

#### Sources

Laws on income and property taxes; *Social Insurance in Norway*, a survey by the Norwegian Joint Committee on International Social Policy, January, 1950; *Statistisk Årbok for Oslo*, 1950.

#### Notes

The calculations are for Oslo. The State income tax includes the surtax, the defence tax, and the tax for old-age and war pensions. Family allowances are subject to income tax.

### Sweden

#### Sources

Law on State income tax, No. 576 of 26 July 1947; Decree No. 761 of 4 October 1947; Decree No. 274 of 9 June 1950; *Betänkande angående den Statliga direkta Beskattningen*, Statens Offentliga Utredningar 1951 : 51; *Betänkande med förslag till ändrade kommunala ortsavdrag*, Statens Offentliga Utredningar 1950 : 5; Åke Elmer, *Svensk Socialpolitik*, Malmö, 1950; Direct communication on income-tax exemption limits.

#### Notes

Income for purposes of State income tax is taken after deductions for the local income tax, social security and insurance contributions. No such deductions are allowed for purposes of local income tax. Towns and villages are divided into five groups according to the height of the cost of living and the calculations refer to the second highest group (No. 4). Sickness insurance did not become compulsory until 1951, but was, in fact, paid by almost all workers before.

### Switzerland

#### Sources

*Budget de la République et Canton de Genève, 1951; Les impôts de la Suisse*, Recueil rédigé par l'Administration fédérale des contributions, Basle, 1950 and 1951; Office fédéral de l'Industrie, des Arts et Métiers et du Travail, *Législation sociale de la Suisse*, Zurich, various years; *Recueil authentique des lois et actes du gouvernement de la République et Canton de Genève*, various years. Direct communication on income-tax exemption limits.

#### Notes

The State income tax is the federal defence tax. A deduction is made from income for social security contributions, allowance for the increase in the cost of living, and allowance for dependants. The other items are for the canton of Geneva and the communal tax for the town of Geneva. A deduction is made from income for social security contributions and for the "social deduction" which decreases with income.

### United Kingdom

#### Sources

*Reports of the Commissioners of H.M. Inland Revenue; Financial Statement, 1952/53; Report of the Unemployment Statutory Committee, 1938; Reports of the Ministry of National Insurance, 17 November 1944–4 July 1949 (Cmd. 7955) and 5 July 1949–31 December 1950 (Cmd. 8412); Social Insurance and Allied Services*, Report by Sir W. H. Beveridge, 1942 (Cmd. 6404); W. H. Beveridge, *Unemployment—A Problem of Industry (1909 and 1930)*, London, 1931.

#### Notes

National insurance contribution is deducted from income, but no deduction is made for life insurance premiums. Family allowances are subject to income tax.

### United States

#### Sources

*Annual Report of the Secretary of the Treasury on the State of the Finances, 1950; Revenue Act, 1950; State of New York, Annual Report of the State Tax Commission, 1939; U.S. Treasury Department, Statistics of Income for 1945, Part I.*

#### Notes

The federal income tax includes a proportional tax and a progressive surtax. A standard expense allowance of 10 per cent has been deducted from income for purposes of the federal and New York income taxes. Tax tables incorporating the relevant deductions were used for incomes up to \$5,000. For workers' injury insurance, which varies according to risk and State, an average of 1 per cent of wage has been taken.

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# CORRIGENDUM

to the *Economic Bulletin for Europe*, Vol. 4, No. 1

Page 23, left-hand column, line 1 : Delete the word "all".

Page 24, Table 10 : Delete footnote reference "d" next to the figure "39" in the 1951 column.

Page 28, text table on "Ratio of Index of Rents", footnote "a" : Delete "Table I" and insert "Table 2".

Page 29, left-hand column, last line : Delete "eight countries" and insert "nine countries".

Page 38, footnote 2 : Insert after "Great Britain" "(in thousands)".

Page 75, Table XXIV, Chemicals, etc. : U.S.S.R. : For "Kerosene" read "Benzine", and for "Paraffin" read "Kerosene".

Page 77, Section 6, Indices of Building Activity : Finland : "26 urban areas" should read "28 urban areas".

Page 78, Section 8, Retail Sales and Volume of Consumption : Insert in the second line relating to "France" the words "of national consumption" after "indices".

Page 79, Section 10, Balance of Payments : Delete "Table XV" and insert "Table XVI".

## EUROPEAN ECONOMIC STATISTICS <sup>1</sup>

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### SYMBOLS EMPLOYED

The following symbols have been used throughout this BULLETIN :

- .. = not available or not pertinent
- = nil or negligible
- \* = provisional estimate by the Secretariat of the Economic Commission for Europe
- = revised figure

In referring to combinations of years, the use of an oblique stroke—*e.g.*, 1949/50—signifies a 12-month period (say from 1 July 1949 to 30 June 1950). The use of a hyphen—*e.g.*, 1948-1950—signifies an average of the full period of calendar years covered (including the end years indicated).

Unless otherwise indicated, the standard unit of weight used throughout is the metric ton. The definition of "billion" used throughout is one thousand millions. Minor discrepancies in totals and percentages are due to rounding.

<sup>1</sup> For notes on the sources and methods used in the compilation of the statistics, see pages 83 to 86.

**Table I**  
**INDEX NUMBERS OF INDUSTRIAL PRODUCTION**

Country	Weight in 1948	1938 = 100				1948 = 100					1952
		1948	1949	1950	1951	1950	1951				
						Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	
Austria . . . .	14	92 <i>b</i>	123 <i>b</i>	145 <i>b</i>	166* <i>b</i>	171	165*	184*	183*	186*	180
Belgium . . . .	36	121	122	125	143*	113	116	122*	114*	119	116
Bulgaria . . . .	4	182	235	290	345	173	188	173	195	..	228
Czechoslovakia .	36	108 <i>b</i>	126 <i>b</i>	146 <i>b</i>	168 <i>b</i>	146	148	152	138	..	176
Denmark . . . .	17	133	142	157	161	125	127	125	110	121	118
Finland . . . .	7	133	142	145	171	110	125	135	124	131	128
France . . . .	127	108	118	121	134*	121	124	129	115	131	136
Saar . . . .	3	67	83	88	107	147	159	159	160	163	166
Germany :											
western zones	102	52*	75	94*	113*	214*	208*	219*	211*	233*	220
West Berlin .	7	28	19	28	40	137	135	141	140	153	146
Soviet Zone .	48	63	74	94	115	..	..	..	..	..	..
Greece . . . .	5	75	89	113	130	172	161	171	174	181	169
Hungary . . . .	11	107	153	206	267	223	231	240	248	..	301
Ireland . . . .	6	134	151	168	178*	132	128*	140*	130*	136*	130
Italy . . . .	64	96	101	117*	134*	130	136*	141*	135*	141	139
Luxembourg . .	2	145	138	146	175	111	118	122	122	123	125
Netherlands . .	28	113	126	139	145	135	133	130	121	132	127
Norway . . . .	11	128	140	151	157	125	128	127	111	124	130
Poland . . . .	36	144 <i>c</i>	177 <i>c</i>	223 <i>c</i>	270 <i>c</i>	170	171	190	179	..	203
Portugal . . . .	5	118	112	122	125	113	96*	96*	110	118	..
Rumania . . . .	8	83	117	160	206	..	..	..	..	..	..
Spain . . . .	36	127 <i>d</i>	130 <i>d</i>	144 <i>d</i>	147 <i>d</i>	113	111*	117	113*	120*	124
Sweden . . . .	43	150	157	164	171	116	115	118	103	119	116
Turkey . . . .	8	156	161	159	..	105	102	104	102	..	..
United Kingdom <i>e</i>	319	129	137	151	156*	124	123	123	114	124*	122
Yugoslavia . .	17	273	319	338	348	135	130	126	127	128	..
Total of coun- tries listed <i>e</i>	1,000	99*	111	126	141	140	140*	145*	137*	150	149

NOTE. — The indices in general cover manufacturing, mining and gas, water and electricity supply, but not building. In some instances, however, the index numbers do not cover the food, woodworking, clothing and printing industries. The quarterly indices may cover less than the annual indices.

<sup>a</sup> Provisional.

<sup>b</sup> 1937 = 100.

<sup>c</sup> Current production compared with 1938 production in pre-war area : medium and large-scale industries.

<sup>d</sup> 1940 = 100.

<sup>e</sup> The official index numbers for the United Kingdom and certain other countries are not adjusted for the changing position of Easter. In order to obtain greater comparability, the index numbers shown here for the United Kingdom—and employed in the computation of the European total—have been calculated to represent for the first quarter, the average of the official figures for the four months January–April and for the second quarter, the average of the months March–June.

**Table II**  
**INDEX NUMBERS OF EMPLOYMENT IN INDUSTRY**

Country	Wage and salary earners in 1948 (Millions)	1938=100				1948=100					
		1948	1949	1950	1951	1950	1951				1952
						Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>a</sup>
Austria . . . . .	0.7	139 <sup>b</sup>	154 <sup>b</sup>	163 <sup>b</sup>	166 <sup>b</sup>	118	117	121	124	126	122
Belgium . . . . .	1.2	120 <sup>b</sup>	115 <sup>b</sup>	115 <sup>b</sup>	123 <sup>b</sup>	98	99 <sup>*</sup>	101 <sup>*</sup>	99 <sup>*</sup>	99 <sup>*</sup>	98
Czechoslovakia . . . . .	1.7	104 <sup>b</sup>	108 <sup>b</sup>	117 <sup>b</sup>	122 <sup>b</sup>	..	117	117	123	..	121
Denmark <sup>c</sup> . . . . .	0.4	141	145	156	159	116	114	116	107	113	105
Finland . . . . .	0.3	130	130	128 <sup>*</sup>	140	105	106	109	109	107 <sup>*</sup>	105
France . . . . .	4.9	109	111	112	114	103	104	104	105	106	105
Saar . . . . .	0.2	120	129	135	141	115	116	117	118	120	120
Germany : western zones . . . . .	5.6	100	108	114	124	119	121	123	125	126	126
West Berlin . . . . .	0.3	43	40	42	49	107	110	114	118	118	117
Soviet Zone . . . . .	2.5	99	98	107	116	..	..	..	..	..	..
Hungary . . . . .	0.4	111	123	140	160	..	..	..	..	..	..
Ireland . . . . .	0.2	123	130	133	135	110	110	109	108 <sup>*</sup>	108 <sup>*</sup>	109
Italy . . . . .	2.8	105	104	102	..	98	97	99	101	..	..
Netherlands . . . . .	1.0	145	152	159	162	112	113	113	112	110 <sup>*</sup>	110
Norway . . . . .	0.4	143	149	153	156	108	108	110	110	108	108
Poland . . . . .	1.7	145 <sup>d</sup>	162 <sup>d</sup>	187 <sup>d</sup>	199 <sup>d</sup>	132	136	137	135	138	144
Sweden . . . . .	0.9	132	133	134	136	102	102	103	102	103	101
Switzerland . . . . .	0.9	151	142	138	150	94	96	99	102	103	103
United Kingdom . . . . .	8.6	113	115	117	120	105	106	106	107	107	106
Total of countries listed . . . . .	34.7	108	112	116	121	109	110	111	112	112	112

NOTE. — In general, the indices cover wage and salary earners in manufacturing (excluding building), mining and gas, water and electricity supply. In some instances, indices based on numbers of wage earners only have been linked with indices of wage and salary earners.

<sup>a</sup> Provisional.

<sup>b</sup> 1937 = 100.

<sup>c</sup> Quarterly index numbers for 1950 are based on man-hours worked.

<sup>d</sup> Current employment compared with 1938 employment in pre-war area.

**Table III**  
**INDEX NUMBERS OF ENGINEERING PRODUCTION**

Country	Weight in 1948	1938 = 100				1948 = 100					
		1948	1949	1950	1951	1950	1951				1952
						Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>a</sup>
Austria . . . . .	10	98 <sup>b</sup>	152 <sup>b</sup>	188 <sup>b</sup>	222 <sup>b</sup>	222	207	223	220	255	245
Belgium . . . . .	32	126	121 <sup>*</sup>	115	135 <sup>*</sup>	100 <sup>*</sup>	103	110 <sup>*</sup>	107 <sup>*</sup>	107 <sup>*</sup>	102
Czechoslovakia . . . . .	29	120 <sup>b</sup>	131 <sup>b</sup>	156 <sup>b</sup>	..	132	150	..	..	..	..
Denmark . . . . .	19	150 <sup>*</sup>	155 <sup>*</sup>	172 <sup>*</sup>	179 <sup>*</sup>	125 <sup>*</sup>	123 <sup>*</sup>	126 <sup>*</sup>	110 <sup>*</sup>	122 <sup>*</sup>	120
Finland . . . . .	6	211	230	186	243	79	116	120	105	119	117
France . . . . .	172	120	141	131	149	116	122	128	116	131	146
Germany : western zones . . . . .	122	41 <sup>*</sup>	65 <sup>*</sup>	90 <sup>*</sup>	119 <sup>*</sup>	276 <sup>*</sup>	282 <sup>*</sup>	303 <sup>*</sup>	288 <sup>*</sup>	314 <sup>*</sup>	319
West Berlin . . . . .	10	21	18	25	36	159	159	174	173	183	176
Greece . . . . .	1	27	31	41	49	189	160	174	189	197	189
Hungary . . . . .	2	147	212	301	455	..	..	..	..	..	..
Ireland . . . . .	2	190	218	251	267	134	129 <sup>*</sup>	155	147	132	..
Italy . . . . .	46	92	101	108	114	122	128	129	119	122	127
Netherlands <sup>c</sup> . . . . .	30	122	143	159	171	141	145	147	133	140	140
Norway . . . . .	10	148	160	162	167	118	116	120	96	118	120
Poland <sup>c</sup> . . . . .	39	193 <sup>b</sup>	240 <sup>b</sup>	298 <sup>b</sup>	350 <sup>b</sup>	..	..	..	..	..	..
Sweden . . . . .	61	164	164	166	171	108	109	109	90	112	113
Switzerland . . . . .	25	139	117	121	139	..	..	..	..	..	..
United Kingdom <sup>d</sup> . . . . .	384	151	164	182	188	129	125	125	119	128	128
Total of countries listed <sup>d</sup> . . . . .	1,000	104 <sup>*</sup>	120 <sup>*</sup>	134 <sup>*</sup>	151 <sup>*</sup>	142 <sup>*</sup>	143 <sup>*</sup>	149 <sup>*</sup>	139 <sup>*</sup>	151 <sup>*</sup>	155

NOTE. — The indices include, as far as possible, mechanical and electrical engineering, transport equipment (including ships and aircraft) and metal goods, but exclude precision engineering and the clock and watch industries.

<sup>a</sup> Provisional.

<sup>b</sup> 1937 = 100 ; for Poland, current production compared with 1937 production in pre-war area.

<sup>c</sup> Including the manufacture of metals.

<sup>d</sup> The official index numbers for the United Kingdom and certain other countries are not adjusted for the changing position of Easter. In order to obtain greater comparability, the index numbers shown here for the United Kingdom—and employed in the computation of the European total—have been calculated to represent, for the first quarter, the average of the official figures for the four months January-April and, for the second quarter, the average of the months March-June.



**Table IV**  
**INDEX NUMBERS OF CHEMICAL PRODUCTION**

Country	1938 = 100				1948 = 100					
	1948	1949	1950	1951	1950	1951				1952
					Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>a</sup>
Austria . . . . .	145 <sup>b</sup>	167 <sup>b</sup>	206 <sup>b</sup>	213 <sup>b</sup>	157	160	159	146	124	131
Belgium . . . . .	148 <sup>c</sup>	158 <sup>c</sup>	152 <sup>c</sup>	181 <sup>c</sup>	109	118	123	120	127	127
Czechoslovakia . . . . .	124 <sup>b</sup>	134 <sup>b</sup>	140 <sup>b</sup>	..	..	..	..	..	..	..
Denmark . . . . .	114	126	141	147	130	138	135	123	121	116
Finland . . . . .	178	204	234	256	133	143	157	141	134	131
France . . . . .	114	114	123	139	117	121	127	111	123	122
Germany : western zones .	57 <sup>a</sup>	83 <sup>a</sup>	107 <sup>a</sup>	128 <sup>a</sup>	198 <sup>a</sup>	214 <sup>a</sup>	226 <sup>a</sup>	216 <sup>a</sup>	220 <sup>a</sup>	216
Soviet Zone . . . . .	68	101	134	161	..	..	..	..	..	..
Greece . . . . .	63	81	94	114	185	175	184	174	193	171
Hungary . . . . .	107	174	..	..	..	..	..	..	..	..
Ireland . . . . .	103	124	142	142	152	148	150	119	138	..
Italy . . . . .	93	99	113	153	138	154	169	170	167	151
Netherlands . . . . .	105	112	208	238	224	229	220	229	224	227
Norway . . . . .	119	137	174	177	168	166	166	158	165	169
Poland . . . . .	305 <sup>b</sup>	400 <sup>b</sup>	465 <sup>b</sup>	600 <sup>b</sup>	153	170	191	183	..	..
Sweden . . . . .	190	202	231	254	..	..	..	..	..	..
Switzerland <sup>d</sup> . . . . .	174	158	169	210	..	..	..	..	..	..
United Kingdom <sup>e</sup> . . . . .	184	189	218	242 <sup>a</sup>	129	131	132	128	137 <sup>a</sup>	133

NOTE. — As figures relating to indices of chemical production are published for very few European countries, or released with considerable delay, or related to a comparatively limited sector of the industry, it has become increasingly difficult to compile comparable data and it has now been decided to cease computing a European total. For a description of individual indices, see SURVEY for 1951, "Notes to the Statistics", page 219.

<sup>a</sup> Provisional.

<sup>b</sup> 1937 = 100; for Poland, 1937 production in pre-war area = 100.

<sup>c</sup> 1936-1938 = 100.

<sup>d</sup> Approximate index, based on exports and man-hours worked.

<sup>e</sup> Adjusted for the changing position of Easter.

**Table V**  
**INDEX NUMBERS OF TEXTILE PRODUCTION**

Country	Weight in 1948	1938 = 100				1948 = 100					
		1948	1949	1950	1951	1950	1951				1952
						Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter <sup>a</sup>
Austria . . . . .	7	51 <sup>b</sup>	77 <sup>b</sup>	94 <sup>b</sup>	110 <sup>b</sup>	202	212	211	210	238	228
Belgium . . . . .	47	116	120	142	146	143	140	138	107	116	101
Czechoslovakia <sup>c</sup> . . . . .	36	77 <sup>b</sup>	81 <sup>b</sup>	88 <sup>b</sup>	..	123	..	..	..	..	..
Denmark . . . . .	6	134	151	181	160	138	142	127	96	111	109
Finland . . . . .	7	110	131	146	160	141	145	158	129	147	139
France . . . . .	184	102	101	109	115	117	116	121	99	116	114
Western Germany . . . . .	91	46 <sup>a</sup>	80 <sup>a</sup>	106 <sup>a</sup>	118 <sup>a</sup>	275 <sup>a</sup>	271 <sup>a</sup>	261 <sup>a</sup>	238 <sup>a</sup>	264 <sup>a</sup>	241
Greece . . . . .	13	89	100	136	158	178	164	176	183	191	181
Hungary . . . . .	11	88	111	129	154	..	..	..	..	..	..
Ireland . . . . .	6	148	160	185	187	133	127	146	118	115	..
Italy . . . . .	126	96	99	103	109	123	127	120	100	109	110
Netherlands . . . . .	31	105	122	136	135	138	142	136	115	122	116
Norway . . . . .	7	144	168	180	198	133	147	151	115	136	141
Poland . . . . .	46	114 <sup>b</sup>	133 <sup>b</sup>	153 <sup>b</sup>	167 <sup>b</sup>	142	139	143	150	..	..
Spain . . . . .	42	153 <sup>d</sup>	145 <sup>d</sup>	157 <sup>d</sup>	146 <sup>d</sup>	104	97	98	87	102 <sup>a</sup>	..
Sweden . . . . .	34	135	137 <sup>c</sup>	133 <sup>c</sup>	136 <sup>c</sup>	105 <sup>c</sup>	108 <sup>c</sup>	108 <sup>c</sup>	92 <sup>c</sup>	96 <sup>c</sup>	93 <sup>c</sup>
United Kingdom <sup>e</sup> . . . . .	306	95	102	112	111	123	122	123	111	111 <sup>a</sup>	101
Total of countries listed <sup>e</sup> .	1000	87 <sup>f</sup>	99 <sup>f</sup>	112 <sup>f</sup>	117 <sup>f</sup>	139 <sup>a</sup>	138 <sup>a</sup>	137	122 <sup>a</sup>	131 <sup>a</sup>	124

<sup>a</sup> Provisional.

<sup>b</sup> 1937 = 100; for Poland, 1937 production in pre-war area = 100.

<sup>c</sup> Including ready-made clothing.

<sup>d</sup> 1940 = 100.

<sup>e</sup> The official index numbers for the United Kingdom and certain other countries are not adjusted for the changing position of Easter. In order to

obtain greater comparability, the index numbers shown here for the United Kingdom—and employed in the computation of the European total—have been calculated to represent for the first quarter the average of the official figures for the four months January–April, and for the second quarter the average of the months March–June.

<sup>f</sup> Excluding Spain.

Table VI

PRODUCTION OF COAL <sup>a</sup>

Monthly averages or calendar months

Millions of tons

Country	1938	1949	1950	1951	1950	1951				1952			
					Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Jan.	Feb.	March
Belgium . . . . .	2.47	2.32	2.28	2.47	2.37	2.42	2.55	2.31	2.61	2.67	2.67	2.60	2.74
Czechoslovakia . . . . .	1.39 <sup>b</sup>	1.42	1.54	1.49	..	..	..	..	..	..	..	..	..
France . . . . .	3.88	4.27	4.24	4.41	4.35	4.51	4.41	4.17	4.57	4.85	5.00	4.61	4.93
Saar . . . . .	1.20	1.19	1.26	1.36	1.30	1.41	1.35	1.33	1.33	1.38	1.44	1.28	1.43
Germany :													
western zones <sup>c</sup> . . . . .	11.54	8.73	9.36	10.06	9.85	10.03	9.95	9.90	10.34	10.71	10.83	10.39	10.92
Soviet Zone . . . . .	0.50	0.25	0.23	0.26	..	..	..	..	..	..	..	..	..
Netherlands . . . . .	1.12	0.98	1.02	1.04	1.01	1.06	1.02	1.03	1.03	1.06	1.08	1.01	1.09
Poland . . . . .	5.88 <sup>d</sup>	6.18	6.50	6.82	6.62	6.75	6.83	6.73	7.02	7.15	7.10	..	7.43
United Kingdom <sup>e</sup> . . . . .	19.32	18.22	18.31	18.87	18.88	19.00	19.21	17.55	19.71	19.87	20.33	19.39	19.88
Other European countries . . . . .	1.06	1.69	1.73	1.82	1.76	1.75	1.87	1.77	1.88	1.93	1.93	1.89	1.98
Total Europe (excluding U.S.S.R.) . . . . .	48.40*	45.30*	46.50*	48.60*	48.10*	48.80*	48.90*	46.50*	50.20*	51.50	52.30	50.00	52.30
Index numbers :													
1938 = 100 . . . . .	100	94	96	100*	100	101	101	96	104*	107	108	103	108
1948 = 100 . . . . .	115	108	110	115*	114	116	116	111	119*	122	124	119	124
United States <sup>f</sup> . . . . .	29.84	35.69	41.58	43.23	46.63	44.24	40.90	40.45	47.34	43.80	48.87	42.58	39.95

<sup>a</sup> Excluding lignite.<sup>b</sup> 1937.<sup>c</sup> Including production of pitch coal.<sup>d</sup> Post-war boundaries.<sup>e</sup> Including production of opencast coal.<sup>f</sup> Including a small amount of lignite.

Table VII

## PRODUCTION OF ELECTRIC POWER

Monthly averages or calendar months

Millions of kilowatt-hours

Country	1938	1949	1950	1951	1950	1951				1952			
					Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Jan.	Feb.	March
Austria <sup>a</sup> . . . . .	250	459	525	614	546	531	646	701	580	587	603	558	600
Belgium <sup>b</sup> . . . . .	440	680	707	790*	812	803	747	747	866	850	903	825	822
Czechoslovakia . . . . .	343 <sup>c</sup>	689	773	858	..	..	..	..	..	..	..	..	..
Denmark . . . . .	95 <sup>d</sup>	154	167	195	201	206	175	167	234	236	250	227	230
Finland . . . . .	259	296	347	369*	373	373	377	357	367	375	388	354	383
France <sup>e</sup> . . . . .	1,549	2,380	2,623	3,004	2,967	3,022	2,973	2,789	3,231	3,338	3,510	3,221	3,284
Western Germany . . . . .	2,591	3,226	3,668	4,280	4,232	4,185	4,045	4,180	4,709	4,759	4,943	4,580	4,754
Italy . . . . .	1,295	1,732	2,057	2,424	2,083	2,225	2,500	2,532	2,439	2,370	2,510	2,311	2,290
Netherlands . . . . .	295	499	586	624	677	633	567	573	723	708	766	692	665
Norway <sup>f</sup> . . . . .	803	1,265	1,444	1,443*	1,607	1,514	1,359	1,352	1,544	1,651	1,692	1,594	1,668
Poland <sup>g</sup> . . . . .	580	679	784	925	907	839	818	829	1,214	973	..	..	..
Spain . . . . .	229	469	583	670	563	634	653	645	747	809	823	795	808
Sweden . . . . .	680	1,346	1,529	1,620*	1,705	1,663	1,578	1,540*	1,699*	1,773	1,835	1,728	1,756
Switzerland <sup>h</sup> . . . . .	459 <sup>i</sup>	648	760	854	743	726	895	1,014	782	763	765	742	783
United Kingdom <sup>j</sup> . . . . .	2,031	4,088	4,580	4,997	5,364	5,612	4,652	4,213	5,513	5,896	6,353	5,786	5,549
Other European countries . . . . .	2,168	2,562	2,883*	3,201*	3,274*	3,133*	2,894*	3,052*	3,717*	3,372	3,401	3,351	3,363
Total Europe (excluding U.S.S.R.) . . . . .	14,100*	21,200*	24,000*	26,900*	26,900*	26,900*	25,700*	25,500*	29,300*	29,400	30,700	28,700	28,900
Index numbers :													
1938 = 100 . . . . .	100	151	171	191	191*	192	182*	181	209	209	218	204	205
1948 = 100 . . . . .	72	108	122	137	137	137	131	130	150	150	156	146	147
United States . . . . .	11,830	28,711	32,327	36,027	34,719	35,333	34,844	36,080	37,849	38,349	39,710	36,768	38,568

NOTE. — Unless otherwise stated, the data relate to total production of electric power.

<sup>a</sup> Total production of public utilities and other plants with an installed capacity of 200 kilowatts and over.<sup>b</sup> Total production of public utilities and other plants with an installed capacity of more than 100 kilowatts.<sup>c</sup> 1937.<sup>d</sup> 1 April 1938–31 March 1939.<sup>e</sup> Production of hydro-electric plants with a generating capacity of over 1,000 kilowatts and of thermo-electric plants with a capacity of over 5,000 kilowatts.<sup>f</sup> Production of public utilities and other plants with an installed capacity of 1,000 kilowatts and over. The pre-war Polish figure relates to post-war boundaries.<sup>g</sup> Production of public utilities, plus purchases for the public grid from railway plants and industrial establishments.<sup>h</sup> 1 October 1937–30 September 1938.<sup>i</sup> Public utility production only ; excluding Northern Ireland.

**Table VIII**

**PRODUCTION OF CRUDE STEEL**

*Monthly averages or calendar months*

*Thousands of tons*

Country	1938	1949	1950	1951	1950	1951				1952			
					Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Jan.	Feb.	March.
Belgium . . . . .	191	322	315	424	383	408	430	414	444	455	459	436	469
Luxembourg . . . . .	120	189	204	256	236	248	255	261	261	264	266	265	260
France . . . . .	518	763	721	819	817	799	826	781	872	890	885	854	932
Saar . . . . .	213	147	158	217	190	207	214	219	227	230	232	219	240
Germany . . . . .	1,633 <sup>a</sup>	813	1,093	1,255	..	..	..	..	..	..	..	..	..
of which western zones . . . . .	1,492	763	1,010	1,126	1,069	1,004	1,143	1,160	1,194	1,270	1,257	1,232	1,320
Soviet Zone . . . . .	141	50	83	129	..	..	..	..	..	..	..	..	..
Italy . . . . .	194	171	197	254	207	224	262	254	276	289	286	287	295
Poland . . . . .	158 <sup>a</sup>	192	210	233	217	214	229	225	263	266	..	..	..
Sweden . . . . .	82	116	122	127	132	123	130	110	146	139	134	137	146
United Kingdom . . . . .	880	1,317	1,380	1,324	1,414	1,391	1,371	1,209	1,326	1,354	1,488	1,272	1,301
Other European countries . . . . .	378	581	652 <sup>a</sup>	726 <sup>a</sup>	648	702	732	735	730 <sup>a</sup>	776	777	760	791
Total Europe (excluding U.S.S.R.) . . . . .	4,400 <sup>a</sup>	4,600 <sup>a</sup>	5,100 <sup>a</sup>	5,600 <sup>a</sup>	5,400 <sup>a</sup>	5,500 <sup>a</sup>	5,700 <sup>a</sup>	5,500 <sup>a</sup>	5,900 <sup>a</sup>	6,100	6,200	5,900	6,200
Index numbers :													
1938 = 100 . . . . .	100	106	116	129	124	125	131	126	134	140	143	135	142
1948 = 100 . . . . .	110	117	128	143	137	138	145	139	148	155	157	149	157
United States . . . . .	2,400	5,895	7,310	7,948	7,589	7,765	8,041	7,883	8,102	8,224	8,288	7,854	8,531

<sup>a</sup> Post-war boundaries.

**Table IX**

**PRODUCTION OF CEMENT**

*Monthly averages*

*Thousands of tons*

Country	1938	1949	1950	1951	1950	1951				1952
					Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
Austria . . . . .	36 <sup>a</sup>	92	107	123	107	95	133	138	125	79
Belgium . . . . .	243	244	296	366	322	318	385	392	370	272
Czechoslovakia . . . . .	106 <sup>a</sup>	145	..	..	..	..	..	..	..	..
Denmark . . . . .	53	70	73	82	77	67	81	94	88	76
France . . . . .	296	537	601	677 <sup>a</sup>	635	590	686	710	716	650
Germany . . . . .	1,162 <sup>b</sup>	..	..	..	..	..	..	..	..	..
of which western zones . . . . .	955	705	906	1,028 <sup>a</sup>	978	781	1,088	1,133	1,077	815
Soviet Zone . . . . .	207	..	..	..	..	..	..	..	..	..
Italy . . . . .	384	336	417	465	434	364	485	526	484	415
Netherlands . . . . .	38	47	49	59	53	50	59	62	63	53
Norway . . . . .	28	49	49	60	47	50	60	65	65	59
Poland . . . . .	254 <sup>b</sup>	195	209	224	208	178	..	238	..	189
Portugal . . . . .	22	43	48	53 <sup>a</sup>	52	38	46	68	62	51
Spain . . . . .	49	141	161	178	152	163	188	187	172	169
Sweden . . . . .	83	141	162	168	170	130	185	179	176	140
Turkey . . . . .	24	31	33	33	33	25	39	35	35	20
United Kingdom . . . . .	653	780	826	865	810	788	906	883	885	858
Other European countries . . . . .	290	456 <sup>a</sup>	514 <sup>a</sup>	548 <sup>a</sup>	539 <sup>a</sup>	493 <sup>a</sup>	549 <sup>a</sup>	580 <sup>a</sup>	563 <sup>a</sup>	545
Total Europe (excluding U.S.S.R.) . . . . .	3,700 <sup>a</sup>	4,100 <sup>a</sup>	4,700 <sup>a</sup>	5,200 <sup>a</sup>	4,900 <sup>a</sup>	4,400 <sup>a</sup>	5,500 <sup>a</sup>	5,600 <sup>a</sup>	5,400 <sup>a</sup>	4,700
Index numbers :										
1938 = 100 . . . . .	100	110	127	141	132	118 <sup>a</sup>	147	151	146	126
1948 = 100 . . . . .	108 <sup>a</sup>	119	137	152 <sup>a</sup>	142	127 <sup>a</sup>	158	162	157	135
United States . . . . .	1,497	2,951	3,167	3,437	3,462	2,868	3,576	3,761	3,543	2,880

<sup>a</sup> 1937.

<sup>b</sup> Post-war boundaries.

Table X. — CONSTRUCTION OF DWELLINGS AND INDICATORS OF TOTAL BUILDING ACTIVITY

	Number of dwellings in 1949 (Thousands)	Index numbers — 1949 = 100										
		1950	1951	1950				1951				1952
				First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	
<i>Belgium :</i>												
Dwellings authorized . . . . .	56 <sup>a</sup>	116	90	107	141	120	95	97	112	79*	73*	94
Dwellings completed . . . . .	29	124	98	..	..	..	..	..	..	..	..	..
Total building activity . . . . .	..	108	106	102	113	112	106	101	112	108	103	97
<i>Denmark :</i>												
Dwellings begun . . . . .	22	97	67	98	111	111	65	57	90	58	82	87
Dwellings under construction <sup>b</sup> . . . . .	21	105	81	92*	100*	104*	100*	97*	93*	92*	82*	76
Dwellings completed . . . . .	24	83	82	88	73	99	74	88	60	100	95	64
Total building activity . . . . .	..	114	117	..	..	..	..	..	..	..	..	..
<i>Finland :</i>												
Dwellings authorized . . . . .	..	..	..	111	128*	92*	80*	61*	110*	69*	81*	41
Dwellings completed . . . . .	30	103	103	93	78	107	215	124	142	100	227	222
Total building activity . . . . .	..	136	132	111	158	157	120	120	124	135	148	130
<i>Western Germany : <sup>c</sup></i>												
Dwellings authorized . . . . .	..	100	85	72	114	119	94	78	92	92	79	73
Dwellings completed . . . . .	..	100	147	49	66	102	183	123	132	148	210	..
Total building activity . . . . .	..	100	117*	66*	101*	116	117*	90*	123*	131*	125*	87
<i>Netherlands :</i>												
Dwellings begun . . . . .	41	148	104	106	166	185	136	129	75	93	118	172
Dwellings under construction <sup>b</sup> . . . . .	39	119	120	102	110	129	137	141	130	112	100	104
Dwellings completed . . . . .	43	111	137	98	104	118	123	111	136	146	156	111
Total building activity . . . . .	..	105	..	..	..	..	..	..	..	..	..	..
<i>Norway :</i>												
Dwellings under construction <sup>b</sup> . . . . .	17	101	116	105	107	105	86	78	86	138	162	142
Dwellings completed . . . . .	18	126	119	118	109	106	174	86	91	88	210	168
Total building activity . . . . .	..	103	98	92	103	115	104	86	95	108	103	91
<i>Spain :</i>												
Dwellings authorized . . . . .	..	..	..	202	179	123	112	86	89	69	83	81
Dwellings completed . . . . .	..	..	..	102	97	83	103	94	104	91	118	108
<i>Sweden :</i>												
Dwellings begun . . . . .	..	..	..	84	84	119	139	63	58	107*	124*	94
Dwellings under construction <sup>d</sup> . . . . .	..	..	..	118	124	128	133	130	123	131	139*	138
Dwellings completed . . . . .	42	106	95	86	80	124	145	86	95	95	122	113
Total building activity . . . . .	..	105	109	97	106	110	107	104	110	112	109	106
<i>France :</i>												
Dwellings authorized . . . . .	76	121	182	93	125	123	143	158	207	183	181	173
Dwellings under construction <sup>d</sup> . . . . .	96	138	199	120	135	143	152	165	189	214	230	..
Dwellings completed . . . . .	63	115	122	124	94	101	142	105	131	113	137	..
Total building activity . . . . .	..	98	106	94*	102*	98*	100*	102*	106*	104*	112	104
<i>Italy :</i>												
Dwellings authorized . . . . .	122	143	167	136	161	136	137	145	191*	173*	176*	174
Dwellings completed . . . . .	46	169	221*	142	199	191	267	212	261*	256*	316*	287
<i>Luxembourg :</i>												
Dwellings authorized . . . . .	1 <sup>a</sup>	106	104	107	115	90	110	135	112	98	72	88
<i>Switzerland :</i>												
Dwellings authorized <sup>e</sup> . . . . .	22	122	113	100	135	95	112	113	111	107	58	96
Dwellings completed . . . . .	20	125	145	116	122	133	150	112	163	155	161	130
Total building activity . . . . .	..	105	120	91	108	118	103	100	126	138	116	103
<i>United Kingdom : <sup>f</sup></i>												
Dwellings begun . . . . .	202	101	109	95	106	108	96	88	119	119	107	118
Dwellings under construction <sup>d</sup> . . . . .	193	104	113	101	103	106	104	105	111	117	117	120
Dwellings completed . . . . .	198	100	99	97	101	100	103	89	99	97	111	109
Total building activity . . . . .	..	105	102	99	107	108	105	93	103	106	108	101

Sources : See "Notes to the Statistics".

NOTE. — The data other than for total building activity refer to new and reconstructed dwellings, including temporary dwellings. Repairs are normally excluded.

The indices of total building activity for Finland, Norway, Sweden and Switzerland relate to employment in the building industry (man-hours worked for Switzerland) ; for other countries they represent published index numbers relating to the whole of building activity (except for Denmark and the Netherlands, for which see *Economic Bulletin for Europe*, Vol. 4, No. 1, "Notes to the Statistics", page 77).

Annual data are shown only if the statistics relate to the whole of the country ; therefore they do not correspond with the average of the quarterly

data where these are less complete in coverage. For details, see "Notes to the Statistics".

<sup>a</sup> Number of permits.<sup>b</sup> Average of end of month figures.<sup>c</sup> The index of building activity is for the U.K./U.S. Zone. All indices are based on 1950 = 100.<sup>d</sup> Average of end of quarter figures.<sup>e</sup> The annual indices cover the whole country, except for the smallest communes.<sup>f</sup> Excluding Northern Ireland for dwellings.



Table XI

PRODUCTION OF MOTOR VEHICLES

Monthly averages

Thousands

Country	1938	1949	1950	1951	1950	1951				1952
					Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
PASSENGER CARS										
France . . . . .	15.20 <sup>a</sup>	15.64	21.44	26.16	24.98	25.69	27.06	22.61	29.28	30.91
Western Germany . . . . .	14.51 <sup>b</sup>	8.67	18.01	22.28	22.20	22.40	22.67	21.35	22.71	22.81
Italy . . . . .	4.92	5.45	8.44	9.95	10.06	10.74	10.76	10.00	8.30	7.57
United Kingdom . . . . .	28.42	34.36	43.54	39.66	45.42	41.06	40.45	36.32	40.82	37.84
Total of countries listed . . .	63.05	64.12	91.43	98.05	102.66	99.89	100.94	90.28	101.11	99.13
Index numbers :										
1938 = 100 . . . . .	100	102	145	156	163	158	160	143	160	157
1948 = 100 . . . . .	150	153	218	234	245	238	241	215	241	236
United States <sup>c</sup> . . . . .	166.75	426.62	555.49	444.75	558.99	533.95	499.00	391.42	354.61 <sup>a</sup>	326.90
COMMERCIAL VEHICLES										
Austria . . . . .	0.10 <sup>d</sup>	0.18	0.22	0.23	0.22	0.22	0.23	0.23	0.24	0.30
France . . . . .	3.75 <sup>a</sup>	8.16	8.36	10.99	10.36	10.40 <sup>a</sup>	11.40	9.79	12.36	12.21
Western Germany . . . . .	3.56 <sup>b</sup>	4.79	6.82	7.73 <sup>a</sup>	8.35	8.33	8.00	6.94	7.67	7.98
Italy . . . . .	0.98	1.72	2.21	2.22	2.31	2.45	2.26	2.08	2.07	2.09
United Kingdom . . . . .	8.67	18.03	21.76	21.50	22.09	22.77	21.89	19.60	21.73	21.29
Total of countries listed . . .	17.06	32.88	39.37	42.67 <sup>a</sup>	43.33	44.17 <sup>a</sup>	43.78	38.64	44.07	43.87
Index numbers :										
1938 = 100 . . . . .	100	193	231	250 <sup>a</sup>	254	259	257	226	260 <sup>a</sup>	257
1948 = 100 . . . . .	64	123	147	160	162	165	164	145	166 <sup>a</sup>	164
United States <sup>c</sup> . . . . .	40.68	94.52 <sup>a</sup>	111.43	119.04	109.36	126.11	137.56	114.60	97.89	104.30

<sup>a</sup> October 1937–September 1938.

<sup>b</sup> 1936.

<sup>c</sup> Factory sales.

<sup>d</sup> 1937.

**Table XII**  
**PRODUCTION OF LIVESTOCK PRODUCTS**

Commodity and producer country	Monthly average	Index numbers — 1947 = 100								
	1947	1949	1950	1951	1950	1951				1952
					Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter
<i>Meat a</i>	(Thousands of tons)									
Austria <i>b</i> . . . . .	10.0 <i>b</i>	116	214	166	..	170	168	151	176	173
Belgium . . . . .	14.2	169	190	190	206	176	194	175	215	194
Czechoslovakia . . . . .	36.0	68	..	..	..	..	..	..	..	..
Denmark . . . . .	33.6	99	126	146	132	155	149	126	153*	136
Western Germany <i>c</i> . . . . .	55.1 <i>c</i>	100	171	209	184	181	200	221	235	213
Ireland . . . . .	11.4	91	92	104	91	94	64	106*	151	..
Italy <i>d</i> . . . . .	33.1*	119*	116*	111*	..	137*	83*	81*	143*	..
Norway . . . . .	6.8	103	153	156	198	133	134	127	232	160
Portugal <i>e</i> . . . . .	4.1	161	149	146	146	141	139	149	154	144
Sweden <i>f</i> . . . . .	18.8	105	121	131	131	122	130	119	154	126
Switzerland <i>g</i> . . . . .	4.3	119	130*	135	142	140	130	127	145	129
United Kingdom . . . . .	66.4	120	146	150	187	101	120	178	199	132
<i>Milk h</i>	(Thousands of hectolitres)									
Austria <i>i</i> . . . . .	389	156	182	172	169	168	176	180	164	172
Czechoslovakia . . . . .	1,954	108	..	..	..	..	..	..	..	..
Denmark . . . . .	3,317	119	132	128	115	111	152	140	107	102
Western Germany <i>j</i> . . . . .	8,294	133	143*	148	124	124	168	165	135	134
Netherlands <i>k</i> . . . . .	2,334	153	165	161	120	120	210	193	123	115
Norway <i>k</i> . . . . .	523	135	151	154	117	139	193	165	119	135
Sweden <i>k</i> . . . . .	2,767	107	114	111	96	102	128	124	91	93
Switzerland <i>k</i> . . . . .	1,061	123	130	136	117	116	152	159	119	112
United Kingdom <i>l</i> . . . . .	5,492	120	130	124	118	120	140	118	116	120
<i>Butter m</i>	(Thousands of tons)									
Austria <i>i</i> . . . . .	1.0	159	136	117	128	107	106	127	126	138
Czechoslovakia . . . . .	1.6	156	..	..	..	..	..	..	..	..
Denmark . . . . .	10.4	125	144	135	128	118	163	147	110	103
Western Germany . . . . .	14.5	136	149	159	137	121	179	188	146	131
Ireland <i>n</i> . . . . .	2.2	132	142	125	92	23	154	223	100	26
Netherlands <i>o</i> . . . . .	4.4	160	178	159	132	111	214	194	118	88
Norway . . . . .	0.7	135	145	141	75	106	212	176	69*	93
Portugal . . . . .	0.1	125	213	219	163	200	284	233	158	..
Sweden . . . . .	7.9	103	114	113	96	95	130	133	90	85
Switzerland . . . . .	1.2	98	126*	165	119	144	195*	190	127*	114
United Kingdom . . . . .	0.6	156	242	86	61	91	132	82	35	55
<i>Cheese m</i>	(Thousands of tons)									
Austria <i>i</i> . . . . .	0.3	227	291	276	190	291	346	268	197	302
Czechoslovakia . . . . .	1.0	118	..	..	..	..	..	..	..	..
Denmark . . . . .	3.8	139	129	164	118	139	208	184	124	134
Western Germany . . . . .	6.5	192	174	195	183	177	212	192	197	185
Ireland . . . . .	0.3	104	100	78	93	15	133	115	44	52
Netherlands <i>o</i> . . . . .	5.4	199	197	218	159	115	278	296	182	116
Norway . . . . .	1.0	182	218	247	133	207	337	285	160	216
Portugal . . . . .	0.1	130	100	130	100	100	130	140	150	..
Sweden . . . . .	4.0	137	108	114	80	112	137	126	82	95
Switzerland . . . . .	3.0	136	142*	129	110	65*	156*	197*	99	82
United Kingdom <i>o</i> . . . . .	1.4	199	330	265	137	262	370	324	102*	262

*a* Comprising production of beef, veal, mutton, lamb, pork and goat meat, unless otherwise stated.

*b* Including horse meat. The figure in the first column refers to 1948 and the index numbers are based on that year.

*c* Including horse meat and slaughter fat. The figure in the first column refers to 1949 and the index numbers are based on that year.

*d* Data for communes of more than 5,000 inhabitants. The figure in the first column refers to 1948 and the index numbers are based on that year.

*e* Inspected slaughter.

*f* Excluding home slaughter.

*g* Slaughtering in 43 towns.

*h* Total production of fluid milk.

*i* Market deliveries.

*j* The figure in the first column refers to 1948, and the index numbers are based on that year.

*k* Milk delivered by farmers.

*l* Milk sold through milk marketing schemes.

*m* Creamery and factory production.

*n* Production of co-operative creameries only.

*o* Including farm production.

**Table XIII**  
INDEX NUMBERS OF THE COST OF LIVING

Country	1938 = 100			1948 = 100											
	1949	1950	1951	1951								1952			
				March	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April
Austria . . . . .	411	465	595	168	173	189	198	199	208	212	220	221	218	217	213
Belgium . . . . .	342	339	370	104	105	105	106	107	108	108	108	109	108	107	106
Denmark . . . . .	168	176	196	..	..	120	..	..	121	..	..	122	..	..	122
Finland <sup>a</sup> . . . . .	824	944	1,131	143	147	147	150	152	152	152	152	155	154	154	154
France . . . . .	1,817	2,020	2,364	142	149	149	151	153	156	161	164	168	171	170	169
Germany :															
U.K./U.S. Zone <sup>b</sup>	160	151	164	100	103	103	102	102	104	104	105	105	106	106	106
Greece . . . . .	28,370	30,600	35,590	142	139	137	137	137	142	143	144	146	148	150	148
Iceland <sup>c</sup> . . . . .	428	511	645	146	155	157	159	164	166	166	167	169	171	173	173
Ireland . . . . .	185	187	202	..	..	..	112	..	..	114	..	..	115	..	..
Italy . . . . .	4,985	4,854	5,320	107	111	111	111	111	111	112	112	111	113	113	114
Luxembourg . . . . .	310	322	349	117	120	121	121	121*	120	120	120	120	121	121	120
Netherlands <sup>d e</sup> . . . . .	219	239	262	125	129	130	129	129	129	128	127	127	128	128	128
Norway <sup>f</sup> . . . . .	159	167	194	115	124	126	126	126	126	126	127	129	130	130	131
Poland . . . . .	..	..	..	115	..	..	..	..	..	..	..	..	..	..	..
Portugal <sup>g</sup> . . . . .	210	209	206	102	99	99	99	100	101	102	101	101	100	100	100
Spain <sup>h</sup> . . . . .	478	529	579	129	128	127	128	128	128	128	128	127	127	126	126
Sweden . . . . .	157	159	186	115	120	..	..	123	..	..	125	..	..	127	..
Switzerland <sup>f</sup> . . . . .	162	159	167	100	102	103	103	104	104	105	105	105	105	105	104
Turkey . . . . .	355	340	336	102	102	100	100	100	101	103	103	105	106	106	107
United Kingdom . . . . .	185	191	208	110	116	117	118	119	119	119	120	122	123	123	125

NOTE. — The index numbers for Denmark, Iceland and Luxembourg relate to the beginning of the month; for Austria, Belgium, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Sweden and the United Kingdom to midmonth; for Switzerland to end of the month. No period is indicated for Greece, Poland, Spain and Turkey.

<sup>a</sup> Revised series. See "Notes to the Statistics".

<sup>b</sup> Monthly index numbers are based on 1949 = 100.

<sup>c</sup> Yearly averages are based on first quarter 1939 = 100.

<sup>d</sup> Yearly averages are based on 1938/39 = 100.

<sup>e</sup> From January 1950, new series.

<sup>f</sup> From March 1950, new series.

<sup>g</sup> Yearly averages are based on July 1938/June 1939 = 100.

<sup>h</sup> Yearly averages are based on July 1936 = 100.

**Table XIV**  
INDEX NUMBERS OF WHOLESALE PRICES

Country	1938 = 100			1948 = 100											
	1949	1950	1951	1951								1952			
				Mar.	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	April
Austria <sup>a</sup> . . . . .	418	553	742	206	222	244	242	242	242	245	259	257	255	254	256
Belgium . . . . .	372	391	474	123	122	121	120	119	122	122	123	123	121	118	116
Denmark . . . . .	233	262	333	142	154	152	151	148	148	149	151	151	150	148	146
Finland . . . . .	963	1,110	1,587	155	167	170	176	176	175	178	177	176	170	170	167
France <sup>b</sup> . . . . .	1,917	2,076	2,651	150	154	151	150	154	163	169	170	171	170	167	165
Germany :															
U.K./U.S. Zone <sup>c</sup>	185	183	221*	118	120	119	120	120*	121	123	124*	123	122	122	123
Greece . . . . .	30,300	31,460	38,340	148	150	150	147	149	153	155	154	156	156	155	152
Ireland <sup>d</sup> . . . . .	231	244	283	118	122	122	121	123	125	128	128	128	127	127	129
Italy . . . . .	5,169	4,905	5,581	105	103	102	102	100	100	100	100	99	99	98	97
Netherlands <sup>e</sup> . . . . .	289	322	393	144	145	142	142	142	143	144	145	145	145	143	142
Norway . . . . .	184	209	258	135	147	147	146	147	147	148	149	150	150	150	149
Portugal . . . . .	246	243	266	110	110	109	111	111	116	117	117	117	118	118	117
Spain <sup>f</sup> . . . . .	483	570	732*	161	163*	161*	159	164	165	167	165	165*	163	162	160
Sweden . . . . .	195	205	269	134	143	143	142	142	143	148	149	150	150	150	150
Switzerland . . . . .	206	203	228	107	105	103	103	103	105	104	105	105	104	103	102
Turkey . . . . .	503	452	483	111	101	98	96	99	101	104	106	106	106	104	106
United Kingdom . . . . .	227	259	315	143	146	146	148	148	150	150	151	153	150	152	150
United States <sup>g</sup> . . . . .	194*	202*	225*	112	110	109	109*	109*	109*	109*	109*	108*	108	108	107

NOTE. — The index numbers for Denmark, Finland, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Sweden, Turkey, the United Kingdom and the United States relate to averages of quotations in the month; those for Austria and Portugal to mid-month; for Belgium to the second fortnight; and for France and Switzerland to the end of the month.

<sup>a</sup> Yearly averages are based on March 1938 = 100.

<sup>b</sup> From January 1950, new series.

<sup>c</sup> Producers' prices of industrial products; monthly averages are based on 1949 = 100.

<sup>d</sup> Yearly averages are based on October 1938 = 100.

<sup>e</sup> From 1949, new series.

<sup>f</sup> Yearly averages are based on 1936 = 100.

<sup>g</sup> Revised series.

Table XV. — BALANCE OF PAYMENTS OF EUROPE AND OTHER AREAS WITH THE UNITED STATES  
Millions of current dollars

Item	Year and Quarter	Europe			European dependent overseas territories <sup>a</sup>	Overseas sterling area <sup>b</sup>	Canada	Latin American Republics	All other countries <sup>c</sup>	Inter-national institutions	TOTAL WORLD
		United Kingdom	Other European countries	Total Europe							
A. Goods and services (total)	1951—I	-26	-263	-289	+23	+229	-178	+82	-15	-1	-149
	1951—IV	-239	-516	-755	+35	-200	-136	-416	-128	-7	-1,607
	1952—I	-58	-484	-542	+67	-96	-181	-222	+13	-14	-975
	1951—I	+116	+483	+599	+86	+476	+539	+1,074	+431	+12	+3,217
Exports to the United States	1951—IV	+117	+421	+538	+82	+285	+617	+812	+311	—	+2,645
	1952—I	+136	+405	+541	+116	+391	+572	+908	+434	+3	+2,965
Imports from the United States <sup>d</sup>	1951—I	-162	-737	-899	-58	-220	-636	-856	-434	—	-3,103
	1951—IV	-303	-677	-1,220	-78	-418	-642	-865	-489	—	-3,189
	1952—I	-42	-858	-1,100	-95	-432	-670	-980	-468	—	-3,745
Services (net)	1951—I	+53	+9	+11	+5	+27	+81	+136	+12	+13	+263
	1951—IV	+48	+20	+73	+31	+67	+111	+267	+50	+5	+442
	1952—I	—	+31	+17	+46	+55	+83	+150	+47	+17	+195
B. Private donations and movements of private United States capital	1951—I	-1	+57	+56	—	+14	+61	+152	+74	+49	+406
	1951—IV	+3	+123	+120	+17	+34	+160	+125	+73	+99	+628
	1952—I	+12	+39	+51	-2	+38	+48	+164	+28	+1	+328
Private donations	1951—I	+6	+53	+59	—	+5	+3	+7	+37	+1	+112
	1951—IV	+11	+53	+64	+1	+6	+2	+13	+29	—	+114
	1952—I	+7	+40	+47	+1	+7	+1	+12	+27	—	+95
Private United States capital	1951—I	-14	+4	-3	—	+9	+38	+145	+37	+48	+294
	1951—IV	+5	+70	+56	+17	+28	+158	+112	+44	+99	+514
	1952—I	—	+1	+4	+3	+31	+47	+152	+1	+1	+233
C. Surplus or deficit on goods and services, private donations and capital (A+B)	1951—I	-27	-206	-233	+23	+243	-117	+234	+59	+48	+257
	1951—IV	-242	-393	-635	+52	-166	+24	-291	-55	+92	-979
	1952—I	-46	-445	-491	+65	-58	-133	-58	+41	-13	-647
D. United States Government grants and credits (excluding military aid) <sup>d</sup>	1951—I	+77	+497	+574	+1	+4	+2	+54	+130	+18	+783
	1951—IV	+4	+336	+332	+2	+69	+2	+8	+157	+188	+758
	1952—I	+20	+333	+353	+2	+49	+2	+16	+100	+23	+545
E. Changes in foreign holdings of gold and dollar assets (total)	1951—I	-425	-135	-560	-1	-8	+97	-301	-128	+7	-894
	1951—IV	+455	+33	+488	-19	-47	-81	+121	-101	-56	+305
	1952—I	+375	+118	+493	+3	+9	-14	-12	-140	+33	+372
Net increase (-) or decrease (+) in long-term assets <sup>e</sup>	1951—I	-41	-25	-66	—	-2	+28	-1	—	-81	-122
	1951—IV	-30	-10	-40	—	-2	+240	-6	+5	+13	+210
	1952—I	-2	-3	-5	—	—	-2	-1	+3	+2	-3
Net increase (-) or decrease (+) in short-term balances <sup>e</sup>	1951—I	+22	+77	+99	+7	-5	+68	-65	-85	+102	+121
	1951—IV	-145	-15	-160	-19	-62	-322	+100	-80	+31	-614
	1952—I	-143	+92	-51	+3	+8	-15	-16	-140	+31	-180
Net purchases (-) or sales (+) of gold	1951—I	-406	-187	-593	-8	-1	+1	-235	-43	-14	-893
	1951—IV	+630	+58	+688	—	+17	+1	+27	-26	+2	+705
	1952—I	+520	+29	+549	—	+1	+3	+5	-3	—	+555
F. Errors, omissions and inter-regional transfers of dollars	1951—I	+375	-156	+219	-23	-239	+18	+13	-61	-73	-146
	1951—IV	-209	+24	-185	-35	+144	+55	+162	-1	-224	+84
	1952—I	-349	—	-355	-70	—	+145	+54	-1	-43	-270

Sources: Rearranged from data communicated directly by the Balance of Payments Division of the United States Department of Commerce.

<sup>a</sup> Excluding those of the United Kingdom and Spain.

<sup>b</sup> Including the dependent overseas territories of the United Kingdom.

<sup>c</sup> Including the dependent overseas territories of Spain.

<sup>d</sup> Original data have been adjusted by deducting all military aid. This adjustment tends to understate imports from the United States in so far as military aid takes the form of services rather than goods (not separately reported). For details, see "Notes to the Statistics".

<sup>e</sup> Official and private.



**Table XVI. — EUROPEAN PAYMENTS UNION : MONTHLY BALANCES OF EACH MEMBER WITH THE E.P.U. AREA AND THE FINANCING OF CUMULATIVE NET POSITIONS**  
*Monthly averages or calendar months : millions of units of account (equivalent to one U.S. dollar)*

	CREDITOR COUNTRIES							DEBTOR COUNTRIES								
	Belgium-Luxemb.	Sweden	Western Germany	Italy	Nether-lands	Switzer-land	Portugal	United Kingdom <sup>a</sup>	France	Turkey	Den-mark	Norway	Iceland	Austria	Greece	
<i>Intra-European Payments Schemes :</i>																
1949 First half . . . . .	+30.5	+ 3.2	+10.7	+25.9	-23.5	+10.8	-10.7	-	3.3	-16.0	+ 0.2	+1.7	-7.7	-	11.3	-10.4
Second half . . . . .	+15.8	+15.9	-13.2	+14.7	+ 3.5	+ 4.9	+ 1.8	-	-47.2	+25.0	+ 2.3	+5.0	-10.5	-	6.7	-11.8
1950 First half . . . . . <sup>b</sup>	+30.8	- 2.7	-11.4	+ 0.3	-21.3	-	- 2.7	-	+48.2	+11.2	-17.2	- 5.9	- 9.5	-	7.8	-12.1
<i>European Payments Union</i>																
1950 Third quarter . . . . .	- 0.9	+ 2.7	-59.1	+ 0.6	-13.5	- 9.3	+ 6.3	-	+36.9	+63.5	+ 0.4	- 6.3	- 3.7	- 0.6	- 2.6	-14.3
Fourth quarter . . . . .	+ 2.9	- 7.2	-60.8	-11.1	-21.8	-14.7	+ 6.6	-	+135.2	+ 9.7	+ 2.1	- 7.4	-13.5	- 0.5	- 9.8	- 9.7
1951 First quarter . . . . .	+27.9	-10.0	-29.6	-17.5	-28.4	+13.0	+ 8.9	-	+52.8	+19.5	- 6.2	- 0.3	- 7.6	- 0.2	-15.0	- 7.3
Second quarter . . . . .	+48.9	- 8.0	+57.7	+17.7	-26.0	- 5.1	- 1.5	-	- 9.0	-25.2	-17.7	- 9.1	- 2.1	- 1.0	- 7.2	-15.5
Third quarter . . . . .	+62.7	+22.8	+55.6	+43.3	+16.7	+21.9	+ 4.1	-	-171.3	-35.8	-11.5	- 0.3	+1.4	- 0.5	- 5.0	- 6.6
Fourth quarter . . . . .	+59.2	+56.2	+50.2	+31.6	+56.5	+21.5	+ 8.5	-	-187.4	-95.4	-	+12.2	- 0.4	-	- 3.8	- 8.9
1952 January . . . . .	+48.9	+52.7	+10.4	+13.6	+98.7	+22.2	+ 6.1	-	-151.3	-102.9	- 5.9	+14.0	-	+ 0.2	- 2.3	- 4.4
February . . . . .	+48.2	+ 8.6	+46.0	+ 0.3	+62.3	+17.0	+10.7	-	- 62.6	-128.8	-16.2	+14.5	+ 1.4	- 0.2	- 1.0	- 0.2
March . . . . .	+45.4	+ 2.1	+35.5	- 0.1	+39.2	- 5.1	- 6.2	-	- 64.2	-29.5	- 9.3	- 0.4	+ 0.1	-	- 2.8	- 4.7
April . . . . .	+16.9	- 8.2	+33.0	-1.1	+29.1	- 8.9	- 6.9	-	-56.6	+ 2.7	+ 5.6	- 5.0	+ 3.9	- 1.9	- 2.4	- 0.4
May . . . . .	+17.5	+ 6.9	+66.4	-22.5	+11.2	- 1.5	- 5.9	-	- 49.4	- 0.5	-15.6	- 5.5	+ 2.7	- 0.4	- 1.0	- 2.4
Cumulative net position July 1950-May 1952 . . . . .	+778.5	+239.6	+227.3	+184.9	+190.5	+164.9	+94.3	-	-855.9	-458.7	-139.6	-14.7	-61.5	-10.8	-140.1	-198.8
Net use of "existing resources" by (-) or on (+) partners <sup>c</sup> . . . . .	+ 15.8	+15.4	+11.9	+42.5	-	-	-	-	- 93.1	+12.9	- 1.9	- 5.0	+ 0.4	-	-	+ 1.1
Use of "special resources" (+) <sup>d</sup> . . . . .	-	-	-	-	-	-	-	-	-	-	+47.5	-	-	+6.8	+43.0	+82.7
Use of initial credit (+) or debit (-) balances <sup>e</sup> . . . . .	-29.4	- 9.8	-	-	+30.0	-	-	-	-150.0	-	+25.0	-	+60.0 <sup>g</sup>	+4.0	+80.0	+115.0
Accounting surplus (+) or deficit (-) <sup>h</sup> . . . . .	+767.7	+244.9	+234.6	+227.9	+217.4	+165.6	+95.2	-	-1,096.2	-442.9	-69.7	-20.9	-1.5	-	-17.1	-
Credit granted by (-) or to (+) member <sup>i</sup> . . . . .	-423.9	-148.5	-167.3	-134.4	-144.2	-107.8	-54.6	-	+636.0	+362.0	+30.0	+20.9	+1.5	-	-	-
Gold paid to (-) or by (+) member <sup>i</sup> . . . . .	-343.8	-96.5	-67.3	-93.4	-73.2	-57.8	-40.6	-	+460.2	+80.9	+39.7	-	-	+17.1	-	-
Amount of quota . . . . .	360 <sup>k</sup>	260	500	205	355	250	70	-	1,060	620 <sup>l</sup>	50	195	200	15	70	45
Per cent of quota used . . . . .	232	94	47	111	61	66	136	-	103	71	139	11	1	0	0 <sup>m</sup>	0 <sup>m</sup>

<sup>a</sup> Sources: *General Statistical Bulletin*, Organization for European Economic Co-operation, Paris, March 1952, and monthly reports of the Bank for International Settlements, Basle.

<sup>b</sup> Including all sterling area countries except Iceland.

<sup>c</sup> The solid line indicates the beginning of E.P.U. operations.

<sup>d</sup> Switzerland joined the Union in Nov. 1950.

<sup>e</sup> Certain holdings of currencies of E.P.U. countries at the beginning of July 1950.

<sup>f</sup> Financing of the deficits of Turkey, Iceland, Austria and Greece with dollars allotted by the U.S.A.

<sup>g</sup> Initial balances are grants given to or obtained from the Union and compensated by equivalent amounts of conditional dollar aid given by the E.C.A.

<sup>h</sup> In the form of a loan, repayable to the Union.

<sup>i</sup> Of which 10 million units of account in the form of a loan, repayable to the Union.

<sup>j</sup> After adjustment for interest charges received or paid by the Union.

<sup>k</sup> The Belgian quota can be used to cover Belgian surpluses up to 330.6 million units of account only.

<sup>l</sup> Including 100 million units of account granted to France as special short-term credit within the quota.

<sup>m</sup> The Austrian and Greek quotas cannot be used before 1 July 1952 to cover any deficits.

A new schedule of credit and gold settlements will be applied after 1 July 1952 in the case of debtor countries.

Credit countries

Debit countries

Gold

Gold

Gold

Gold

Gold

Gold

Gold

Gold

Gold

Gold

Gold

Gold

**Table XVII**  
**INDEX NUMBERS OF UNIT VALUES FOR TOTAL IMPORTS AND EXPORTS**  
*January-September 1949 = 100*

Country	Type of index <sup>a</sup>	In national currencies												In U.S. dollars		Terms of trade <sup>b</sup>								
		Imports								Exports				Imp.	Exp.	1950				1951				
		1951				1952				1951						1952								
		3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.	1st qtr.	2nd qtr.			3rd qtr.	4th qtr.	1st qtr.	2nd qtr.	3rd qtr.	4th qtr.			
United Kingdom . . .	P <sub>3</sub> <sup>c</sup>	119	130	146*	164*	165	163*	164	107	111	117*	125	131*	134	134	114	93	106	115	124	126	121	118	118
France . . . . .	P <sub>1</sub>	114*	122*	137*	152*	153*	146*	152	104*	106*	112*	120*	127*	130*	135	116	104	110*	116*	122*	126	120*	113*	112
Netherlands . . . . .	P <sub>1</sub>	113	120	128	140	142	141	144	98	108	115	123	124	128	131	100	91	115	111	112	114	116	110	110
Belgium-Luxembourg .	P <sub>1</sub>	100	110	120	126	125	124	124	89	95	109	117	122	125	126	109	111	113	116	110	108	102	100	98
Switzerland . . . . .	P <sub>2</sub>	86	91	100	108	109	108	108	94	97	99	102	106	108	106	108	106	92	94	101	105	103	100	102
Italy . . . . .	P <sub>4</sub>	92	98	112	126	126	125	..	91	95	100	110	115	113	..	..	..	101	103	112	115	110	110	..
Turkey . . . . .	P <sub>1</sub>	79	82	88	102	95	98	97	96	131	152	118	115	126	137	97	137	82	62	58	86	83	77	70
Denmark . . . . .	P <sub>1</sub>	116*	114*	124*	148*	150*	145*	147	100*	102*	107*	107	110	123	120	102	83	117*	113*	117*	139*	137*	118*	122
Sweden . . . . .	P <sub>3</sub>	112	120	128	143	150	149	154	105	116	136	164	182	188*	193	107	134	107	103	95	88	83	79*	80
Norway . . . . .	P <sub>1</sub>	115	117	128	142	146	152	147	108	112	123	141	149	154	148	102	103	107	105	103	100	98	99	99
Finland <sup>d</sup> . . . . .	P <sub>2</sub>	138	152	169	193	199	192	189	119	135	197	231	271	289	271	111	159	116	113	86	84	73	67	70
Western Germany <sup>e</sup> .	P <sub>1</sub>	115	126	136	152	159	150	155	90	92	100	108	116	118	120	120	100	119	127	127	130	127	118	120
Austria <sup>f</sup> . . . . .	P <sub>1</sub>	157	161	217	227	228	229	241	146	147	164	184	201	218	228	114	108	108	110	132	123	113	105	106
United States . . . . .	P <sub>4</sub>	110	119	131	139*	138	132*	133	96	102	107	112	110	109	110	133	110	115	118*	122	124*	126	122	121

Sources: See "Notes to the Statistics".

<sup>a</sup> P<sub>1</sub> = unit value index with moving current weights.

<sup>b</sup> P<sub>2</sub> = unit value index with fixed weights.

<sup>c</sup> P<sub>3</sub> = unit value index with moving anterior weights.

<sup>d</sup> P<sub>4</sub> = unit value index with moving crossed weights.

<sup>e</sup> The ratio of the import price index to the export price index.

<sup>c</sup> P<sub>3</sub> for terms of trade.

<sup>d</sup> January-June 1949 = 100.

<sup>e</sup> New series, with the year 1950 as original basis. Terms of trade on a U.S. dollar basis.

<sup>f</sup> Commercial imports only.

**Table XVIII**  
**IMPORT AND EXPORT UNIT VALUES FOR MAJOR COMMODITY GROUPS**

*Index numbers—January–September 1949 = 100*

Commodity group	Country	Type of index <sup>a</sup>	In national currencies							In U.S. dollars	
			1950		1951				1952	1952	
			Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	First quarter	
<i>Imports</i>											
Food, drink and tobacco . . . . .	United Kingdom	P <sub>3</sub>	113	116	121	129	131	133	134	93	
	France	P <sub>1</sub>	108*	108*	108*	121*	125*	130*	127	97	
	Switzerland	P <sub>2</sub>	89	95	98	105	105	104	105	105	
	Western Germany	P <sub>1</sub>	126	133	133	146	157	144	152	114	
	United States	P <sub>4</sub>	134	138	143	143	142	143	143	143	
Raw materials . . . . .	United Kingdom	P <sub>3</sub>	129	151	186*	216*	211	197*	203	141	
	France	P <sub>1</sub>	118*	130*	154*	170*	167*	158*	168	129	
	Switzerland	P <sub>2</sub>	84	92	106	118	120	116*	116	116	
	Western Germany	P <sub>1</sub>	116	136	157	184	185*	171*	176	139	
	United States	P <sub>4</sub>	108	128	152	171	159	145	145	145	
Manufactures . . . . .	United Kingdom	P <sub>3</sub>	114	122	120*	134*	141*	146*	145	101	
	France	P <sub>1</sub>	115*	128*	135*	141*	141*	136*	127	98	
	Switzerland	P <sub>2</sub>	85	88	96	99	103	103*	103	103	
	Italy	P <sub>4</sub>	92	96	110	128	128	136	..	..	
	Western Germany	P <sub>1</sub>	103*	111	122*	120*	130*	127*	118	94	
	United States	P <sub>4</sub>	96	104	111	114	121	119	120	120	
<i>Exports</i>											
Textile goods . . . . .	United Kingdom	P <sub>3</sub>	108	115	127	142*	154*	153*	146	102	
	France	P <sub>1</sub>	100	100	115	127	132	128	127	98	
	Switzerland	P <sub>1</sub>	86	90	96	101	106	110	109	109	
	Italy	P <sub>4</sub>	91	93	110	118	126	118	..	..	
Finished engineering products . . . . .	United Kingdom	P <sub>1</sub>	105	106	108	112	116	119	123	86	
	France	P <sub>1</sub>	109	112	112	119	125	132	139	107	
	Switzerland	P <sub>1</sub>	99	101	99	99	100	98	96	96	
	Italy	P <sub>4</sub>	97	90	89	94	103	111	..	..	
	Sweden	P <sub>3</sub>	100	99	108	111	122	127*	129	89	
All manufactures . . . . .	United Kingdom	P <sub>3</sub>	105	109	114*	123*	130	134	134	93	
	France	P <sub>1</sub>	99*	101*	108*	117*	121*	125*	129	99	
	Belgium-Luxemb.	P <sub>1</sub>	86	92	104	113	120	122	125	110	
	Switzerland	P <sub>2</sub>	94	97	98	101	106	109	107	107	
	Italy	P <sub>4</sub>	94	94	99	108	115	118	..	..	
	Sweden	P <sub>3</sub>	99	104	123	139	153	157	161	112	
	Western Germany	P <sub>1</sub>	91	93	101	111*	117*	120*	121	105	
	United States	P <sub>4</sub>	95	101	106	110	110	110	110	110	

*Sources and methods: See "Notes to the Statistics".*

NOTE. — Owing to the large discrepancies in the type and coverage of the commodity group indices, inter-country comparisons should be made with caution.

<sup>a</sup> P<sub>1</sub> = unit value index with moving current weights.  
P<sub>2</sub> = unit value index with fixed weights.  
P<sub>3</sub> = unit value index with moving anterior weights  
P<sub>4</sub> = unit value index with moving crossed weights.

**Table XIX**  
**INDEX NUMBERS OF THE VOLUME OF IMPORTS AND EXPORTS OF FIFTEEN EUROPEAN COUNTRIES**  
*1949 = 100*

Country	IMPORTS					EXPORTS				
	1949 (Millions of dollars, c.i.f.)	1949 4th qtr.	1950			1949 (Millions of dollars, f.o.b.)	1949 4th qtr.	1951		
			1st qtr.	2nd qtr.	3rd qtr.			1st qtr.	2nd qtr.	3rd qtr.
United Kingdom . . . . .	8,337	102	98	108	98	6,556	105	113	110	115
Ireland . . . . .	471	109	111	115	103	215	120	96	101	120
France . . . . .	3,252	98	112	108	91	2,698	112	118	124	124
Netherlands . . . . .	1,839	105	123	137	130	1,291	128	111	120	146
Belgium . . . . .	1,800	110	107	105	102	1,757	92	110	102	88
Switzerland . . . . .	881	114	100	107	135	803	114	92	100	115
Italy . . . . .	1,491	81	109	111	105	1,094	107	107	117	129
Spain . . . . .	457	87	87	120	120	384	112	123	137	116
Turkey . . . . .	299	119	91	120	125	247	145	94	79	78
Denmark . . . . .	803	101	125	115	114	663	121	110	121	136
Sweden . . . . .	1,103	106	110	124	130	1,074	120	111	125	127
Norway <sup>a</sup> . . . . .	771	106	113	110	86	395	102	130	119	125
Finland <sup>b</sup> . . . . .	409	119	99	118	97	399	141	74	128	140
Western Germany . . . . .	2,238	123	120	106	134	1,125	126	157	185	229
Austria <sup>c</sup> . . . . .	410	117	105	101	86	297	101	118	138	144
Total of countries listed . . . . .	24,561	104	107	112	107	18,998	111	114	118	126
								140	149	143
										151
										143

<sup>a</sup> Imports include but exports exclude ships.

<sup>b</sup> For comparability with other countries, the seasonal adjustment in the Finnish index has been eliminated. Exports for war reparations are excluded.

<sup>c</sup> Excluding non-commercial imports.



**Table XX. — IMPORTS AND EXPORTS OF EIGHTEEN EUROPEAN COUNTRIES AND THE UNITED STATES  
ACCORDING TO AREAS OF ORIGIN AND DESTINATION**

*Millions of dollars at current prices; imports c.i.f.; exports f.o.b.*

Area of origin for imports and area of destination for exports ↓	Year and quarter	United Kingdom Royaume-Uni		Ireland Irlande		Iceland Islande		France		Netherlands Pays-Bas		Belgium-Luxembourg Belgique-Luxembourg		Switzerland Suisse		Italy Italie		Portugal	
		Imp. <sup>a</sup>	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.
I. United Kingdom, Ireland and Iceland	1950-III	47.9	59.2	56.2	45.4	1.7	0.5	25.3	67.0	50.7	59.3	42.6	30.6	21.2	8.9	19.7	41.9	11.9	8.2
	IV	56.9	64.1	62.0	54.6	2.6	1.1	31.7	89.9	58.9	62.3	58.3	49.2	25.4	9.9	19.9	36.0	12.5	11.9
	1951- I	45.1	66.5	63.0	37.8	2.0	2.4	40.6	96.8	61.0	76.5	55.7	59.2	27.5	9.8	19.8	40.2	11.1	12.6
	II	46.2	81.1	77.9	39.6	6.3	1.2	35.6	123.3	65.4	87.6	63.0	69.8	26.2	12.7	21.5	55.3	12.9	14.6
	III	52.8	71.9	60.1	48.2	3.7	2.9	43.9	89.6	43.9	76.2	43.3	67.8	20.1	14.5	17.6	69.5	13.1	11.9
	IV	69.6	68.6	66.1	63.8	4.5	4.2	46.1	81.5	47.4	81.5	52.7	83.3	20.1	17.3	25.0	59.2	14.6	14.4
	1952- I	57.0	69.2	67.3	50.6	3.1	2.4	49.1	71.9	49.6	87.5	50.9	87.0	20.5	15.2	30.3	37.7	12.0	8.4
II. Western European industrial countries (France, Netherlands, Belgium-Luxembourg, Switzerland)	1950-III	179.4	135.7	4.8	2.6	0.5	1.0	54.3	110.1	114.7	68.9	115.8	125.9	63.5	42.2	34.9	52.5	12.5	7.6
	IV	205.8	147.7	7.1	3.3	0.6	0.4	78.0	157.9	147.2	89.7	152.4	166.2	75.0	48.6	50.3	64.8	13.2	10.4
	1951- I	254.5	168.6	8.4	2.5	0.6	0.5	76.5	156.7	164.0	101.1	163.1	188.5	79.8	43.7	70.3	68.1	14.5	7.4
	II	286.6	162.2	11.3	1.6	1.3	1.3	93.9	169.4	177.1	95.8	146.4	218.0	78.6	53.8	61.0	83.3	17.4	7.2
	III	251.2	127.3	8.7	2.4	1.1	1.9	106.4	130.3	138.9	99.3	135.4	202.8	70.4	46.9	53.6	71.5	16.5	6.7
	IV	264.3	148.2	10.2	3.9	1.4	2.3	129.7	164.9	134.7	136.7	161.5	209.7	74.3	55.0	62.7	88.3	19.8	9.2
	1952- I	262.3	156.8	11.5	5.5	1.1	0.6	110.2	141.2	134.3	125.9	153.7	175.5	66.0	42.4	61.5	68.2	14.8	5.6
III. Mediterranean and Iberian countries <sup>e</sup> (Italy, Greece, Spain, Portugal, Yugoslavia, Turkey and miscellaneous continental and non-continental European countries and territories)	1950-III	77.7	69.0	2.4	—	0.4	0.7	27.0	38.0	9.3	12.6	13.7	21.9	25.6	43.6	10.2	16.3	1.7	1.6
	IV	90.8	67.0	6.6	0.5	0.5	2.3	44.3	49.1	13.6	17.8	19.6	33.7	28.1	52.5	12.1	20.3	2.1	1.6
	1951- I	107.4	69.7	4.0	0.6	1.1	1.5	51.0	58.2	19.3	18.4	21.6	33.9	30.5	32.1	12.4	25.8	1.5	2.6
	II	126.1	86.9	5.7	0.3	1.0	1.4	64.8	58.3	18.1	19.0	23.3	40.8	28.9	33.7	11.3	27.9	2.4	3.3
	III	114.5	84.9	3.7	0.3	0.6	2.0	50.0	49.0	12.1	18.0	13.4	40.4	26.7	26.4	11.4	29.1	4.6	3.0
	IV	132.9	93.3	5.5	2.4	1.6	1.7	58.9	59.3	13.3	25.5	19.8	40.3	35.0	33.5	11.4	31.2	3.5	2.3
	1952- I	122.0	119.1	3.0	1.6	0.7	1.1	77.2	62.1	18.4	27.0	20.3	59.3	29.6	34.7	14.2	32.6	4.6	2.1
IV. Scandinavian countries (Denmark, Sweden, Norway, Finland)	1950-III	172.2	144.0	4.8	0.3	1.2	1.0	23.2	37.3	39.3	33.6	17.8	16.8	10.0	8.9	12.2	10.8	1.9	2.7
	IV	163.6	157.8	5.8	1.1	1.1	2.8	30.0	53.8	35.9	36.8	28.5	32.4	11.2	12.2	16.0	19.1	3.2	2.8
	1951- I	200.9	164.7	6.4	0.4	1.3	1.2	36.6	55.9	36.3	40.9	25.9	42.7	10.8	14.5	17.9	22.0	2.8	2.7
	II	265.7	190.9	8.4	0.4	3.4	0.5	52.2	57.0	43.0	46.5	31.6	60.8	11.9	16.8	25.7	23.7	3.5	2.2
	III	329.4	171.0	7.5	0.4	1.1	1.5	61.7	49.3	53.8	48.8	35.7	64.3	15.6	15.2	32.6	21.6	3.5	2.3
	IV	330.0	176.2	9.0	0.4	2.9	2.4	80.0	45.4	50.2	51.6	43.1	65.3	19.7	18.3	36.5	22.3	6.6	3.1
	1952- I	278.1	178.5	6.6	0.5	1.6	0.3	74.3	44.9	37.8	56.2	27.8	72.9	16.8	18.6	37.3	19.2	3.6	1.7
V. Germany and Austria	1950-III	35.0	35.0	1.5	1.5	0.4	0.4	48.4	70.7	71.9	74.7	41.5	31.0	37.5	26.5	38.0	36.3	2.9	1.3
	IV	30.9	46.9	1.8	1.8	0.4	1.8	56.6	87.6	79.5	98.8	53.6	44.1	44.6	34.5	43.4	51.7	4.3	4.6
	1951- I	40.1	43.9	2.8	0.7	0.4	0.3	51.9	81.8	81.7	69.1	57.1	56.7	49.5	31.6	45.8	46.1	3.7	3.1
	II	60.4	36.4	4.0	0.5	1.3	0.3	70.2	45.3	95.8	53.6	59.8	36.6	60.8	24.3	52.6	30.3	5.1	1.8
	III	76.0	43.1	3.1	0.4	0.6	0.5	84.8	46.3	85.8	84.9	56.7	45.4	61.1	40.4	49.8	43.0	4.9	2.5
	IV	78.7	40.9	4.3	1.9	0.9	0.8	99.5	57.7	81.0	89.1	63.4	53.2	64.0	30.7	58.4	40.9	5.9	5.3
	1952- I	80.2	38.9	4.8	0.8	0.8	0.2	104.2	53.5	85.0	83.1	65.1	56.0	63.2	28.7	66.6	43.0	5.6	3.2
VI. Eastern European countries <sup>e</sup> (Czechoslovakia, Poland, Rumania, Hungary, Bulgaria)	1950-III	18.3	9.9	0.8	0.1	0.8	0.3	3.6	7.1	6.8	5.2	4.6	9.3	10.8	13.9	8.3	9.7	0.5	0.5
	IV	20.5	9.2	2.5	0.1	0.9	1.7	6.9	5.4	11.1	7.7	7.9	7.9	11.7	18.0	12.2	11.1	0.5	0.5
	1951- I	23.2	10.9	2.5	—	1.2	0.5	10.3	7.6	10.3	7.3	6.1	13.5	12.2	11.5	13.9	10.0	0.3	0.5
	II	25.4	9.5	2.8	—	0.7	0.8	7.6	10.1	6.5	5.3	4.0	10.9	8.4	12.7	12.9	10.0	0.4	0.7
	III	23.2	6.4	0.4	—	0.6	0.7	7.5	6.5	3.2	7.2	2.7	8.0	3.7	13.7	9.9	8.9	0.4	0.3
	IV	17.8	6.8	0.5	—	1.4	1.5	11.5	8.9	5.3	5.2	7.0	5.9	9.0	12.4	12.4	11.4	0.2	0.2
	1952- I	17.6	7.2	0.8	—	1.1	0.8	8.6	7.8	3.8	7.0	5.2	7.4	8.1	7.7	11.3	8.1	0.2	0.3
VII. Union of Soviet Socialist Republics	1950-III	26.4	7.3	—	—	—	—	0.7	0.9	0.1	—	2.3	5.4	0.7	1.2	1.4	2.8	—	0.4
	IV	27.1	7.5	—	—	—	—	1.6	0.7	—	0.4	4.9	5.5	0.7	1.3	5.4	5.1	—	0.4
	1951- I	35.9	3.3	—	—	—	—	1.8	0.2	3.6	0.6	4.7	2.8	1.6	1.3	10.0	5.2	—	0.7
	II	35.5	3.3	—	—	—	—	2.1	0.7	1.2	0.3	4.3	2.3	1.7	2.1	6.3	3.6	—	0.4
	III	39.2	2.0	—	—	—	—	3.6	0.5	5.9	0.5	4.3	3.4	1.4	1.0	2.7	4.2	—	0.7
	IV	57.9	1.7	—	—	—	—	4.2	3.4	3.3	0.2	3.5	4.8	0.7	0.7	3.1	10.8	—	1.4
	1952- I	65.8	4.1	—	—	—	—	6.3	1.4	8.0	0.6	1.7	5.4	0.9	1.0	6.9	3.6	—	1.5
VIII. Total Europe (including U.S.S.R.)	1950-III	556.9	460.1	70.5	49.9	5.0	3.9	182.5	331.1	292.8	254.3	238.3	240.9	169.3	145.2	124.7	170.3	31.4	22.3
	IV	595.6	500.2	85.8	61.4	6.1	10.1	249.1	444.4	346.2	313.5	325.2	339.0	196.7	177.0	159.3	208.1	35.8	32.2
	1951- I	707.1	527.6	87.1	42.0	6.6	6.4	268.7	457.2	376.2	313.9	334.2	397.3	211.9	144.5	190.1	217.4	33.9	29.6
	II	845.9	570.3	110.1	42.4	14.0	5.5	326.4	464.1	407.1	308.1	332.4	439.2	216.5	156.1	191.3	234.1	41.7	30.2
	III	886.3	506.6	83.5	51.7	7.7	9.5	357.9	371.5	343.6	334.9	291.5	432.1	199.0	158.1	177.6	247.8	43.0	27.4
	IV	951.2	535.7	95.6	72.4	12.7	12.9	429.9	421.1	335.2	389.8	351.0	462.5	222.8	167.9	209.5	264.1	50.6	35.9
	1952- I	883.0	573.8	94.0	59.0	8.4	5.4	429.9	382.8	336.9	387.3	324.7	463.5	205.1	148.3	228.1	212.4	40.8	22.8

**Tableau XX. — IMPORTATIONS ET EXPORTATIONS DE DIX-HUIT PAYS EUROPÉENS ET DES ÉTATS-UNIS, PAR RÉGIONS D'ORIGINE ET DE DESTINATION**

*En millions de dollars aux prix courants ; importations c.a.f. ; exportations f.o.b.*

Greece, Spain and Turkey Grèce, Espagne et Turquie	Denmark Danemark		Sweden Suède		Norway Norvège		Finland Finlande		Western Germany Allemagne occid.		Austria Autriche		Total of eighteen countries Total pour dix-huit pays		United States Etats- Unis		Année et tri- mestre	Région d'origine pour les importations et région de destination pour les exportations  ↓
	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.		
31.0 18.5 28.4 42.5 32.6 32.1 35.2 32.2 32.2 20.7 38.5* 36.4*	63.3 72.4 72.7 72.0 70.4 79.1 73.5 91.5 63.5 76.3 54.3 79.0	60.5 40.0 71.1 51.4 67.1 48.1 81.3 96.2 74.1 101.1 69.2 109.4	31.2 16.0 33.2 19.7 47.0 27.8 47.7 29.0 53.1 32.2 54.9 35.9	16.5 29.6 19.4 20.3 14.5 23.7 25.9 48.8 25.9 85.6 32.7 87.1	28.3 24.0 49.2 28.0 38.1 33.9 23.9 50.7 36.3 67.4 24.9 71.8	6.8 2.8 10.8 4.1 16.8 5.6 21.2 11.6 18.8 12.2 20.0 11.5	514.8 524.3 613.0 617.0 612.3 652.1 663.7 845.1 602.4 848.0 640.6* 904.9*	102.6 137.6 113.6 165.5 117.0 172.3 122.3 206.1 115.2 254.9 118.3 316.0	III-1950 IV I-1951 II III IV	I. Royaume-Uni, Irlande et Islande								
38.0 31.5	63.5 84.0	64.9 74.4	40.6 37.7	35.2 49.6	28.7 62.8	18.6 6.4	629.3 776.3	116.7 259.1	I-1952									
36.4 10.4 37.5 30.9 37.4* 37.2 44.7 50.1 46.8 19.7 55.8* 43.9*	32.3 11.3 32.2 12.8 36.4 16.3 48.8 20.1 43.3 17.1 38.0 27.0	44.5 40.3 58.9 60.3 65.5 48.2 83.3 80.9 86.7 78.1 78.5 91.4	17.9 10.0 23.1 16.1 23.9 16.9 34.4 23.0 29.5 21.2 38.1 24.6	13.2 19.2 22.4 16.5 21.9 13.0 33.0 28.2 34.3 41.1 39.9 37.1	181.0 187.2 216.9 230.0 209.4 236.5 111.7 262.3 182.6 283.6 166.3 301.8	13.0 11.3 15.5 14.1 25.8 17.8 32.4 23.1 24.9 20.0 32.6 20.5	918.7 836.2 1 136.1 1 069.7 1 257.0* 1 123.0 1 261.9 1 280.3 1 230.3 1 169.9 1 307.8 1 364.5	120.1 181.1 173.1 263.9 204.6 260.6 185.5 330.2 172.2 291.7 158.9 376.9	III-1950 IV I-1951 II III IV		II. Pays industriels de l'Europe occidentale  (France, Pays-Bas, Belgique-Luxembourg, Suisse)							
50.7 51.8	47.9 19.5	79.4 77.7	35.1 23.0	40.6 20.4	171.2 287.6	28.9 22.8	1 269.2 1 224.5	165.2 331.2	I-1952									
14.7 8.4 19.9 16.7 17.8 12.8 19.3 10.0 24.1 10.9 22.3 14.2 21.0 10.8	7.9 4.9 9.7 7.0 11.7 9.4 10.1 13.1 6.8 10.0 7.3 14.6 7.5 10.3	10.2 13.3 17.8 18.3 22.5 14.2 22.7 30.6 16.7 24.6 17.1 29.2 26.6 26.0	4.7 8.6 5.2 9.1 6.3 8.8 7.3 7.4 7.9 16.2 9.1 15.3 8.8 9.3	4.0 3.1 5.3 5.1 5.2 4.4 7.9 6.3 10.1 9.7 9.5 9.0 7.1 5.8	42.0 72.9 99.7 79.0 94.8 85.1 54.9 91.2 74.4 99.6 95.1 107.1 111.8 118.9	12.5 19.8 14.7 27.4 15.8 24.5 16.3 24.8 19.0 23.6 21.5 25.9 25.3 25.4	264.0 334.7 390.0 407.4 422.9 402.0 420.1 455.0 396.0 447.7 463.8 504.8 498.1 546.1	67.1 125.1 90.3 146.1 90.2 215.0 80.5 311.0 77.9 158.3 82.1 213.6 89.9 219.3	III-1950 IV I-1951 II III IV			III. Europe Méditerranéenne et Péninsule ibérique *  (Italie, Grèce, Espagne, Portugal, Yougoslavie, Turquie et divers pays et territoires européens faisant ou non partie du continent)						
16.5 8.8 16.7 19.4 16.8 11.5 16.4 12.0 17.6 7.1 20.4* 17.4*	38.6 19.7 35.3 33.4 29.8 22.6 41.7 27.5 45.0 25.0 46.8 39.2	24.6 41.3 30.1 53.9 23.1 40.3 31.0 58.0 31.4 52.8 38.5 67.2	26.5 15.5 38.4 16.7 33.8 19.5 39.9 21.5 32.2 24.1 49.7 29.0	13.6 16.1 16.3 11.1 10.9 8.6 18.0 16.2 18.7 27.3 29.4 19.6	99.1 72.0 106.4 94.6 101.4 96.0 72.1 118.8 124.8 134.7 113.2 134.2	2.5 3.1 4.6 3.7 5.2 3.8 4.0 4.5 6.5 5.5 7.3 5.8	504.0 431.9 543.1 551.6 559.9 547.3 668.5 657.3 817.1 650.9 883.3* 697.4*	37.7 58.2 45.8 62.8 58.0 65.6 67.9 82.5 52.8 81.1 49.2 91.0	III-1950 IV I-1951 II III IV	IV. Pays scandinaves (Danemark, Suède, Norvège, Finlande)								
25.7 16.7	39.2 30.4	30.3 56.6	39.1 24.1	22.7 10.4	110.1 154.0	6.4 4.7	757.4 689.7	55.1 97.5	I-1952									
34.4 13.6 33.7 46.4 37.7 45.9 39.3 14.7 40.4 21.3 48.4* 58.2*	32.6 39.4 32.6 43.5 30.7 39.1 38.3 21.7 40.8 33.6 40.3 40.8	38.3 44.6 47.4 41.7 56.4 39.8 64.3 38.1 67.2 56.9 75.5 65.5	7.0 18.8 9.7 11.9 12.8 14.5 16.1 13.7 18.2 15.2 21.7 14.0	6.9 6.8 6.6 6.3 6.3 6.0 19.5 11.0 23.4 22.2 25.2 21.5	11.0 18.0 16.6 22.1 14.7 27.7 10.2 29.7 15.6 30.3 15.9 31.4	16.7 13.2 23.2 20.2 28.3 15.9 28.5 13.3 27.4 19.9 32.6 19.5	424.0 431.8 484.9 563.9 519.9 522.2 626.2 371.3 655.8 505.9 715.7* 571.4*	30.2 95.4 52.6 132.3 57.2 145.4 68.1 162.6 68.5 135.5 57.2 173.1	III-1950 IV I-1951 II III IV		V. Allemagne et Autriche							
51.0 50.6	45.5 37.7	84.6 49.8	25.3 19.4	26.6 10.7	19.6 34.6	34.9 25.3	763.0 535.5	58.1 174.0	I-1952									
5.0 3.5 4.8 5.7 4.7 6.6 5.8 7.4 5.7 4.8 4.7 4.4 4.5 5.3	9.3 4.0 7.5 2.4 11.8 5.4 9.6 7.5 10.5 3.8 8.1 6.3 1.1 2.3	18.4 13.3 17.4 15.7 21.8 10.4 25.4 22.2 29.1 24.0 21.7 23.0 25.6 15.6	3.9 2.7 6.9 2.3 4.4 3.4 2.1 3.2 1.6 2.4 2.1 1.1 2.4 1.5	10.7 4.8 8.9 3.2 9.4 4.4 15.6 6.5 17.2 6.5 18.4 6.9 15.7 5.8	19.6 18.9 23.3 20.0 10.3 17.7 7.4 14.8 16.2 16.1 19.1 15.2 12.5 12.5	7.6 9.0 13.7 14.5 15.4 11.0 15.3 11.6 15.3 14.6 18.3 18.3 16.4 14.7	129.0 112.2 156.7 125.4 157.8 120.7 149.9 133.2 147.2 123.9 157.5 127.5 134.9 104.0	9.5 7.2 9.9 2.2 11.2 1.2 11.4 1.1 8.9 0.2 7.7 0.1 3.9 0.2	III-1950 IV I-1951 II III IV			VI. Europe orientale *  (Tchécoslovaquie, Pologne, Roumanie, Hongrie, Bulgarie)						
— 0.2 — 0.1 — — — — — 0.3 — 1.7*	0.9 0.3 1.4 0.7 2.9 — 1.5 0.1 0.4 0.1 4.2 —	2.4 7.2 2.4 6.3 3.4 5.6 2.6 5.6 4.1 8.4 3.0 13.8	2.4 1.1 3.0 2.8 2.6 2.5 2.1 3.9 3.0 2.3 2.6 3.4	9.0 8.9 12.7 13.2 8.5 14.6 11.8 15.7 9.1 15.5 12.0 21.7	— — — — 0.2 — — — 0.2 — — — — —	— — — — — — — — — — — — 0.1 0.2	46.3 35.7 59.2 44.0 75.2 36.8 69.1 38.0 73.9 38.9 94.5 63.6*	13.4 — 6.5 0.1 6.3 — 7.0 — 7.3 — 11.3 — 4.8 —	III-1950 IV I-1951 II III IV	VII. Union des Répu- bliques socialistes soviétiques								
— 0.5	7.2 7.0	1.0 9.8	1.2 1.0	14.8 24.1	— —	— —	113.9 60.2	4.8 —	I-1952									
138.0 63.4 141.0 161.7 147.0 146.1 160.7 126.3 166.8 84.8 190.1* 176.2*	184.9 152.0 191.4 171.8 193.7 171.9 223.5 181.5 210.3 165.9 199.0 206.9	198.9 200.0 245.1 247.6 259.8 206.6 310.6 331.6 309.3 345.9 303.5 399.5	93.6 72.7 119.5 78.6 135.8 93.4 149.6 101.7 145.5 113.6 178.2 123.3	73.9 88.5 91.6 75.7 76.7 74.7 131.7 132.7 138.7 207.9 167.1 202.9	381.0 393.0 512.1 473.7 468.9 496.9 280.2 567.5 450.1 631.7 434.5 661.5	59.1 59.2 82.5 84.0 107.3 78.6 117.7 88.9 111.9 95.8 132.3 101.5	2 800.8 2 706.8 3 383.0 3 379.0 3 605.0 3 404.1 3 859.4 3 780.2 3 922.7 3 785.2 4 263.2* 4 234.1*	380.6 604.6 491.8 772.9 544.5 860.1 542.7 1093.5 502.8 921.7 484.7 1 170.7	III-1950 IV I-1951 II III IV		VIII. Total pour l'Euro- pe (y compris l'U.R.S.S.)							
190.9 167.2	211.9 191.2	312.4 309.9	152.5 116.0	162.7 126.8	453.9 670.4	130.6 99.5	4 165.8 3 936.3	493.7 1 081.3	I-1952									

Table XX (continued)

IMPORTS AND EXPORTS OF EIGHTEEN EUROPEAN COUNTRIES AND THE UNITED STATES  
ACCORDING TO AREAS OF ORIGIN AND DESTINATION

Millions of dollars at current prices ; imports c.i.f. ; exports f.o.b.

Area of origin for imports and area of destination for exports ↓	Year and quarter	United Kingdom Royaume-Uni		Ireland Irlande		Iceland Islande		France		Netherlands Pays-Bas		Belgium-Luxembourg Belgique-Luxembourg		Switzerland Suisse		Italy Italie		Portugal	
		Imp. <sup>a</sup>	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.
IX. United States and dependencies	1950-III	122.1	91.7	12.6	1.2	1.9	0.9	81.4	29.6	58.0	21.6	73.3	29.8	35.1	31.5	91.0	22.6	12.7	7.2
	IV	178.4	107.7	16.7	1.1	1.9	1.4	94.2	59.6	44.4	22.1	81.5	51.7	46.5	41.1	47.7	28.9	6.8	8.1
	1951- I	191.1	93.9	17.0	1.2	1.4	2.1	109.4	67.7	62.1	23.4	98.0	62.2	51.8	33.3	70.3	26.2	10.3	7.4
	II	246.8	105.2	17.4	1.5	2.1	1.7	127.1	63.9	81.3	32.1	101.3	56.6	64.2	32.9	124.4	26.8	10.6	8.2
	III	287.4	96.2	15.3	1.6	1.5	1.4	142.1	62.7	78.1	24.5	90.6	48.6	51.6	32.1	145.8	28.7	17.2	9.2
	IV	341.7	87.5	22.0	4.7	2.4	2.9	141.7	56.1	61.5	31.7	119.7	45.9	52.3	40.2	101.4	30.9	11.7	10.5
	1952- I	326.7	97.7	20.7	2.9	2.3	3.2	158.4	44.1	95.1	28.4	126.2	45.1	60.1	34.3	126.4	31.0	14.1	7.7
X. Canada and Newfoundland	1950-III	124.7	91.8	4.4	0.1	0.1	—	4.7	3.8	2.8	1.9	16.8	4.4	10.7	4.4	0.8	1.7	1.3	0.4
	IV	132.3	103.2	5.3	0.1	0.3	0.1	4.4	5.1	1.8	2.0	23.7	8.3	10.1	4.6	3.5	2.2	1.5	0.6
	1951- I	115.6	79.7	3.9	0.3	0.1	—	6.1	3.9	1.8	1.4	13.6	5.8	8.6	3.7	5.1	2.2	2.1	0.3
	II	168.3	114.4	5.9	0.2	0.1	—	7.6	6.0	3.1	2.1	16.6	11.0	5.4	4.4	3.8	2.8	1.6	0.7
	III	227.1	109.2	6.0	0.1	0.1	—	18.8	7.7	12.6	1.7	20.9	9.7	9.0	4.3	25.4	2.4	1.3	0.5
	IV	219.2	80.8	9.1	0.3	0.2	—	18.8	4.5	7.8	3.4	30.9	9.3	12.4	5.0	13.9	2.2	2.2	0.5
	1952- I	199.4	70.3	6.6	0.3	0.2	—	31.1	3.6	6.6	1.7	16.9	7.8	11.7	4.2	9.9	1.9	1.0	0.6
XI. Latin American republics	1950-III	206.4	101.2	3.5	—	0.3	0.2	53.2	35.0	31.7	17.4	32.2	20.8	25.1	25.8	38.0	29.0	3.2	2.9
	IV	167.6	121.5	2.4	0.1	—	0.1	71.6	61.2	38.9	19.6	43.7	41.4	37.9	30.1	40.4	31.7	6.0	4.5
	1951- I	136.0	103.0	2.9	—	0.4	0.4	65.1	60.7	37.2	14.9	45.5	38.0	27.3	26.3	43.7	35.2	3.4	2.0
	II	268.5	113.6	6.5	—	0.5	0.1	84.6	71.4	48.7	28.8	44.5	46.2	34.3	32.9	66.0	33.4	6.0	3.0
	III	350.9	118.2	3.9	0.1	0.4	0.3	86.3	71.9	49.2	27.4	27.5	43.5	20.7	32.2	49.3	32.6	7.5	4.5
	IV	179.0	114.8	0.7	0.1	0.3	0.2	101.4	75.2	25.2	27.6	37.3	45.4	17.5	35.5	40.2	40.1	1.7	7.9
	1952- I	146.9	119.2	3.8	—	0.4	0.4	100.1	48.5	27.2	22.0	42.4	45.1	16.9	32.2	41.0	26.9	5.3	5.4
XII. Overseas sterling area (including British colonies)	1950-III	592.8	640.8	6.5	0.6	—	—	107.5	22.7	44.8	20.1	31.8	11.3	18.3	6.4	48.8	46.5	1.0	1.0
	IV	678.2	716.0	10.1	0.6	—	0.1	145.8	38.5	50.1	27.7	60.8	27.1	21.1	13.8	62.1	55.3	2.2	1.4
	1951- I	936.2	685.0	15.4	0.5	—	0.2	217.8	41.9	49.1	27.8	72.4	38.3	17.2	16.1	86.8	58.5	2.8	1.3
	II	947.4	782.0	17.3	0.6	0.1	0.1	286.5	45.9	56.8	36.0	67.9	48.4	20.0	22.5	116.9	66.7	3.5	1.7
	III	913.4	862.5	5.4	0.7	0.1	—	228.3	45.6	69.1	37.4	51.1	57.6	7.5	18.0	79.8	68.7	1.7	3.1
	IV	852.3	957.7	19.5	1.1	—	0.1	195.0	44.0	54.7	45.5	48.7	64.2	6.0	20.6	99.2	62.1	3.7	2.3
	1952- I	938.1	995.2	14.4	0.8	—	—	263.4	43.2	58.3	47.0	63.3	55.3	8.4	19.9	104.4	44.3	3.5	1.9
XIII. Dependent overseas territories <sup>e</sup> (excluding British colonies)	1950-III	54.5	25.6	1.4	—	1.7	—	185.7	237.3	16.0	10.9	39.9	13.6	8.1	5.3	12.1	5.0	10.7	14.2
	IV	63.6	25.8	2.8	—	2.1	—	235.3	356.6	18.7	13.7	58.0	26.7	8.0	7.3	12.6	9.3	15.2	16.7
	1951- I	92.7	22.6	2.9	0.1	0.5	—	230.4	339.3	28.0	13.0	66.7	30.7	9.9	5.9	18.4	6.1	13.5	14.8
	II	125.6	30.8	2.9	—	1.2	—	279.4	379.4	25.6	13.6	64.7	34.3	11.3	6.3	19.6	9.5	12.1	19.2
	III	92.8	34.2	2.5	—	1.5	—	240.4	394.5	15.2	14.6	57.2	41.2	7.9	5.8	19.4	12.6	10.2	19.4
	IV	82.1	34.7	2.8	0.3	2.4	—	281.9	463.6	13.9	17.4	62.0	38.9	7.3	5.8	16.9	13.3	17.9	20.0
	1952- I	99.1	43.1	1.6	—	1.4	—	279.9	474.0	20.2	17.8	63.7	44.6	6.5	5.8	18.8	11.7	17.7	16.5
XIV. Other overseas countries <sup>e</sup>	1950-III	94.9	99.3	2.8	0.2	—	0.1	39.5	24.8	58.3	25.2	16.2	16.6	21.1	13.1	28.8	22.8	2.8	0.5
	IV	124.5	102.9	2.5	0.3	—	0.2	44.9	39.0	66.6	34.5	21.7	30.2	29.3	19.8	44.6	23.0	2.9	0.5
	1951- I	182.6	100.9	3.1	0.2	0.1	0.2	85.6	47.9	86.7	36.3	34.3	39.0	29.1	16.4	48.7	21.8	4.2	1.2
	II	183.1	121.0	2.8	0.2	0.1	0.9	102.6	52.9	94.8	43.0	26.7	36.1	20.7	19.3	60.6	24.6	4.8	0.6
	III	206.7	99.4	3.8	0.3	0.2	—	74.6	43.8	68.0	41.5	19.8	27.8	12.2	19.5	48.0	25.8	4.8	0.7
	IV	156.5	91.6	1.8	0.4	0.1	—	82.3	44.1	65.7	41.0	17.2	26.3	17.6	22.0	45.4	30.5	4.7	0.6
	1952- I	153.1	102.0	2.3	0.2	—	0.3	100.8	46.8	63.5	52.3	13.2	25.2	12.4	16.6	53.7	42.7	5.1	1.0
XV. Total overseas countries	1950-III	1 195.4	1 050.4*	31.2	2.1	4.0	1.2	472.0*	353.2*	211.6*	97.1	210.2	96.5	118.4	86.5	219.5	127.6	31.7	26.2
	IV	1 344.6	1 177.1*	39.8	2.2	4.3	1.9	596.2	560.0	220.5*	119.6*	289.4	185.4	152.9	116.7	210.9	150.4	34.6	31.8
	1951- I	1 654.2	1 085.1	45.2	2.3	2.5	2.9	714.4	561.4*	264.9	116.8	330.5	214.0	143.9	101.7	273.0	147.3	36.3	27.0
	II	1 939.7	1 267.0	52.8	2.5	4.1	2.8	887.8	619.5	310.3	155.6	321.7	232.6	155.9	118.3	391.3	163.8	38.6	33.4
	III	2 078.3	1 319.7	36.9	2.8	3.8	1.7	790.5	626.2	292.2	147.1	267.1	228.4	108.9	111.9	367.7	170.8	42.7	37.4
	IV	1 830.8	1 367.1	55.9	6.9	5.4	3.2	821.1	687.5	228.8	166.6	315.8	230.0	113.1	129.1	317.0	179.1*	41.9	41.8
	1952- I	1 863.3	1 427.5	49.4	4.2	4.3	3.9	933.7	660.2	270.9	169.2	325.7	223.1	116.0	113.0	354.2	158.5	46.7	33.1
XVI. TOTAL WORLD	1950-III	1 752.3	1 510.5*	101.7	52.0	9.0	5.1	654.5*	684.3*	504.4*	351.4	448.5	337.4	287.7	231.7	344.2	297.9	63.1	48.5
	IV	1 940.2	1 677.3*	125.6	63.6	10.4	12.0	845.3	1 004.4	566.7*	433.1*	614.6	524.4	349.6	293.7	370.2	358.5	70.4	64.0
	1951- I	2 361.3	1 612.7	132.3	44.3	9.1	9.3	983.1	1 018.6*	641.1	430.7	664.7	611.3	355.8	246.2	463.1	364.7	70.2	56.6
	II	2 785.6	1 837.3	162.9	44.9	18.1	8.3	1 214.2	1 083.6	717.4	463.7	654.1	671.8	372.4	274.4	582.6	397.9	80.3	63.6
	III	2 964.6	1 826.3	120.4	54.5	11.5	11.2	1 148.4	997.7	635.8	482.0	558.6	660.5	307.9	270.0	545.3	418.6	85.7	64.8
	IV	2 782.0	1 902.8	151.5	79.3	18.1	16.1	1 251.0	1 108.6	564.0	556.4	666.8	692.5	335.9	297.0	526.5	443.2*	92.5	77.7
	1952- I	2 746.3	2 001.3	143.4	63.2	12.7	9.3	1 363.6	1 043.0	607.8	556.5	650.4	686.6	321.1	261.3	582.3	370.9	87.5	55.9

<sup>a</sup> General imports. <sup>b</sup> Excluding exports for war reparations. <sup>c</sup> Imports f.o.b. <sup>d</sup> Exports excluding special categories.<sup>e</sup> Because of a change in the grouping of countries, the figures in Groups III, VI, XIII and XIV cannot be directly compared with the figures in previous issues of the Bulletin. For details, see "Notes to the Statistics".



Tableau XX (suite)

IMPORTATIONS ET EXPORTATIONS DE DIX-HUIT PAYS EUROPÉENS ET DES ÉTATS-UNIS, PAR RÉGIONS  
D'ORIGINE ET DE DESTINATION

En millions de dollars aux prix courants ; importations c.a.f. ; exportations f.o.b.

Greece, Spain and Turkey Grèce, Espagne et Turquie	Denmark Danemark		Sweden Suède		Norway Norvège		Finland Finlande		Western Germany Allemagne occid.		Austria Autriche		Total of eighteen countries Total pour dix-huit pays		United States Etats- Unis		Année et tri- mestre	Région d'origine pour les importations et région de destination pour les exportations  ↓					
Imp. Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp.	Exp.	Imp. <sup>c</sup>	Exp. <sup>d</sup>							
53.6 26.1 54.5 38.8 55.2 49.3 71.2* 33.9 46.7 28.6 51.3* 35.0* 49.2 21.8	16.8 3.3 18.9 4.5 18.6 4.1 34.2 4.3 20.6 4.4 34.0 6.0 32.1 6.0	23.2 15.5 28.6 22.5 31.5 19.3 50.1 36.2 41.3 18.8 44.1 18.7 55.5 19.7	20.7 11.0 18.3 10.6 19.9 13.2 32.0 12.5 27.1 8.7 30.9 10.1 29.5 11.8	5.6 8.4 6.2 9.4 4.1 10.1 9.2 19.9 9.5 13.7 18.1 12.0 18.1 9.3	101.9 27.7 118.2 49.0 131.0 48.6 168.6 61.6 159.0 67.8 188.8 58.6 222.0 56.5	22.6 6.3 16.8 5.5 30.8 6.3 44.4 5.9 39.7 7.2 30.1 7.7 48.1 7.3	732.5 334.4 779.6 462.0 902.5 468.3 1 184.9* 503.2 1 173.5 454.2 1 251.7* 458.5* 1 384.5 426.8	/	/	/	/	/	/	/	/	/	III-1950 IV I-1951 II III IV I-1952	IX. Etats-Unis et territoires dépendants					
1.1 0.9 0.9 2.4 0.6 3.1 0.9* 2.6 1.6 1.8 1.1* 1.3* 1.1 0.6	0.1 0.3 0.1 0.5 0.3 0.3 0.1 0.8 0.1 0.4 1.4 1.6 0.6 0.2	0.9 1.2 1.2 1.7 1.0 1.5 1.5 2.3 2.2 1.7 6.7 4.1 4.7 2.1	3.9 0.4 3.6 0.3 5.6 0.3 6.7 0.5 8.0 1.4 11.6 0.8 7.8 0.4	— — 0.1 — — — 0.7 0.1 1.2 — 0.6 — 0.3 —	1.8 3.0 4.1 3.4 3.4 4.0 8.3 7.5 13.6 8.2 26.1 5.0 10.1 4.9	0.9 0.2 0.9 0.7 0.5 0.6 0.4 0.8 0.4 0.2 0.4 0.3 0.5 0.3	175.0 114.5 193.8 135.2 168.3 107.1 231.0* 156.2 348.3 149.3 362.4* 119.1* 308.5 98.9										III-1950 IV I-1951 II III IV I-1952		X. Canada et Terre- Neuve				
19.3 11.5 11.7 14.4 9.0 10.4 11.2* 10.9 15.8 9.1 16.3* 9.0* 12.7 5.6	5.9 4.7 10.9 6.4 8.6 4.8 11.9 6.4 6.4 9.5 8.5 11.6 11.7 9.4	27.1 27.3 24.0 33.1 28.3 29.7 38.7 56.2 37.7 48.2 30.8 62.7 43.8 49.1	7.2 6.0 11.0 7.3 5.6 9.5 10.8 14.1 8.6 14.1 6.8 19.8 10.0 15.8	7.1 7.1 9.0 4.8 9.2 6.9 11.3 14.0 21.8 18.7 15.0 29.0 11.4 20.9	44.4 37.4 65.6 71.5 58.7 69.4 97.2 92.3 100.5 108.1 76.2 100.3 105.3 86.3	6.1 3.6 7.1 6.0 2.6 5.2 4.9 5.0 4.3 6.7 8.9 7.6 10.3 9.1	510.7 329.9 547.8 453.7 483.5 416.4 745.6* 528.3 790.8 545.1 565.8* 586.8* 589.2 495.9										III-1950 IV I-1951 II III IV I-1952			XI. Républiques de l'Amérique latine			
14.4 1.8 12.7 5.5 10.6 3.4 15.4* 3.3 13.0 3.7 14.2* 3.5* 15.2 4.8	3.3 3.3 2.9 4.1 5.3 4.4 3.8 5.5 3.1 6.1 0.5 4.8 1.1 4.2	21.2 17.5 20.1 21.6 34.5 22.0 43.3 31.7 33.1 33.9 27.7 41.9 28.8 39.0	5.3 5.5 6.2 7.7 10.0 9.9 11.6 12.2 12.2 13.9 6.2 19.0 8.4 16.8	6.5 4.6 3.5 4.9 5.3 4.6 12.2 6.7 9.9 12.9 7.9 13.8 7.1 8.4	66.5 27.2 116.3 49.7 131.5 51.7 119.6 65.4 127.4 87.4 94.6 77.9 125.9 73.3	2.5 2.3 1.6 2.8 2.0 2.6 1.1 4.1 2.1 4.4 0.8 3.2 0.8 3.1	971.2 811.6 1 193.7 976.8 1 596.9 965.5 1 723.4* 1 132.8 1 554.2 1 255.9 1 431.0* 1 361.7* 1 641.1 1 357.2										III-1950 IV I-1951 II III IV I-1952				XII. Zone sterling d'outre-mer (y com- pris les colonies bri- tanniques)		
34.6 23.7 22.8 21.7 20.3 21.5 26.1 27.7 19.5 22.3 17.4 18.9 19.2 17.8	2.0 2.9 1.6 2.4 0.9 3.0 1.4 4.1 2.4 4.1 2.2 3.2 3.2 4.1	12.3 3.0 14.6 2.7 16.0 2.6 19.4 3.7 18.4 4.2 17.3 4.8 20.1 5.4	6.4 0.5 4.7 0.6 5.8 0.6 8.6 1.2 5.7 1.4 5.4 1.1 5.5 1.2	2.5 0.9 2.2 0.8 2.6 0.5 3.9 0.5 4.5 1.7 4.6 1.7 3.0 0.8	32.8 4.6 46.6 7.8 39.6 6.5 33.6 8.5 23.7 12.9 25.6 12.5 47.1 14.0	0.4 0.5 0.5 0.7 1.4 0.5 0.7 0.4 0.2 1.1 0.3 0.6 0.4 1.0	421.1 348.0 509.3 492.8 549.6 467.7 636.1 539.2 521.5 570.0 560.0 636.8 607.4 657.8										III-1950 IV I-1951 II III IV I-1952					XIII. Territoires d'outre- mer dépendant de pays européens (à l'exclu- sion des colonies bri- tanniques) <sup>e</sup>	
23.8 12.8 25.2 22.0 21.1 16.4 28.7 12.7 23.1 11.1 25.8 19.8 18.4 14.9	4.4 3.5 7.1 4.2 9.3 3.9 4.2 3.8 5.2 2.9 0.8 4.7 3.9 4.6	15.6 10.2 18.2 9.8 22.5 10.2 22.5 14.2 15.8 13.5 7.7 13.1 11.8 14.9	8.0 3.5 6.7 4.2 9.6 3.5 8.3 6.2 9.0 5.0 4.9 8.9 3.5 5.9	2.1 3.9 2.0 4.5 2.8 4.1 2.3 6.6 3.1 7.5 2.6 9.0 2.9 4.9	41.5 22.6 50.4 31.7 51.9 31.4 53.9 42.0 72.0 45.2 64.5 43.1 64.3 41.4	1.1 2.7 3.0 3.1 3.1 3.6 1.8 5.4 1.2 4.4 1.2 5.0 1.6 5.4	360.9 261.8 449.6 329.9 596.7 337.0 617.9 389.5 567.5 348.4 498.8 360.1 510.5 379.1										III-1950 IV I-1951 II III IV I-1952						XIV. Autres pays extra- européens <sup>e</sup>
146.8 76.8 127.8 104.8 118.8 104.1 153.5* 91.1 119.7 76.6 126.1* 87.5* 115.8 65.5	32.5 18.0 41.5 22.1 43.0 20.5 55.6 24.9 37.8 27.4 47.4 31.9 52.6 28.5	100.3* 74.7 106.7 91.4 133.8 85.3 175.5 144.3 148.5 120.3 134.3 145.3 164.7 130.2	51.5 26.9 50.5 30.7 56.5 37.0 78.0 46.7 67.6 44.5 65.8 59.7 64.7 51.9	23.8 24.9 23.0 24.4 24.0 26.2 39.6 47.8 50.0 54.5 48.8 65.5 42.8 44.3	288.9 122.5 401.2 213.1 416.1 211.6 481.2 277.3 496.2 329.6 475.8 297.4 574.7 276.4	33.6 15.6 29.9 18.8 40.4 18.8 53.3 21.6 47.9 24.0 41.7 24.4 61.7 26.2	3 171.4* 2 200.2* 3 673.8* 2 850.4* 4 297.5 2 762.0* 5 138.9* 3 249.2 4 955.8 3 322.9 4 669.7* 3 523.0* 5 041.2 3 415.7										III-1950 IV I-1951 II III IV I-1952						
284.8 140.2 268.8 266.5 265.8 250.2 314.2* 217.4 286.5 161.4 316.2* 263.7* 306.7 232.7	217.4 170.0 232.9 193.9 236.7 192.4 279.1 206.4 248.1 193.3 246.4 238.8 264.5 219.7	299.2* 274.7 351.8 339.0 393.6 291.9 486.1 475.9 457.8 466.2 437.8 544.8 477.1 440.1	145.1 99.6 170.0 109.3 192.3 130.4 227.6 148.4 213.1 158.1 244.0 183.0 217.2 167.9	97.7 113.4 114.6 100.1 100.7 100.9 171.3 180.5 188.7 262.4 215.9 268.4 205.5 171.1	669.9 515.5 913.3 686.8 885.0 708.5 761.4 844.8 946.3 961.3 910.3 958.9 1028.6 946.8	92.7 74.8 112.4 102.8 147.7 97.4 171.0 110.5 159.8 119.8 174.0 125.9 192.3 125.7	5 972.2* 4 907.0* 7 056.8* 6 229.4* 7 902.5 6 166.1* 8 998.3* 7 029.4 8 878.5 7 108.1 8 932.9* 7 757.1* 9 207.0 7 352.0	III-1950 IV I-1951 II III IV I-1952	XVI. TOTAL POUR LE MONDE ENTIER														

Importations générales. b Livraisons au titre des réparations de guerre exclues. c Importations f.o.b. d Les catégories spéciales ne sont pas comprises dans les exportations.  
Par suite d'une modification dans la classification des pays, les chiffres des Groupes III, VI, XIII et XIV ne sont pas directement comparables avec ceux publiés dans les précédents numéros du Bulletin. Pour les détails, voir les « Notes sur les statistiques ».



**Table XXI — TRADE OF EIGHTEEN EUROPEAN COUNTRIES<sup>a</sup> AND THE UNITED STATES WITH OVERSEAS COUNTRIES**  
*Millions of dollars at current prices; imports c.i.f., exports f.o.b.*

Area of destination ↓	IMPORTS												Total of eighteen western European countries				United States <sup>c</sup>			
	United Kingdom <sup>b</sup>				France				Western Germany											
	1951 I	1951 IV	1952 I		1951 I	1951 IV	1952 I		1951 I	1951 IV	1952 I		1951 I	1951 IV	1952 I		1951 I	1951 IV	1952 I	
XI. Latin American Republics :	136.0	179.0	146.9		65.1	101.4	100.1		58.7	76.2	105.3		223.7	209.2	236.9		483.5	565.8	589.2	
Argentina . . . . .	40.3	61.5	50.2		21.3	19.3	17.1		25.3	18.5	24.3		67.6	42.6	38.9		154.5	141.9	130.5	
Brazil . . . . .	28.4	27.5	18.3		16.1	22.8	29.9		8.7	23.6	25.6		58.2	73.0	67.3		111.4	146.9	141.1	
Chile . . . . .	4.1	5.0	6.3		6.1	2.9	5.1		3.0	4.6	5.9		6.4	13.1	22.9		19.6	25.6	40.2	
Colombia . . . . .	6.5	12.5	15.7		3.5	3.0	6.4		1.3	0.3	5.7		9.1	9.7	19.9		20.4	25.5	47.7	
Cuba . . . . .	13.3	6.3	2.7		3.5	24.0	21.6		4.1	7.9	10.5		21.0	15.0	14.8		41.9	53.2	49.6	
Mexico . . . . .	2.8	17.7	9.2		1.6	2.8	1.7		1.0	3.9	3.6		6.6	13.0	9.2		12.0	37.4	23.7	
Peru . . . . .	15.1	9.3	6.4		7.0	12.0	8.6		3.4	3.2	5.2		14.6	15.7	22.4		40.1	40.2	42.6	
Venezuela . . . . .	25.5	39.2	38.1		6.0	14.6	9.7		11.9	14.2	24.5		40.2	27.1	41.5		83.6	95.1	113.8	
Other Latin America . . . . .																				
XII. Overseas sterling area (in- cluding British colonies) . . .	936.2	852.3	938.1		217.8	195.0	263.4		131.5	94.6	125.9		311.4	289.1	313.7		1596.9	1431.0	1641.1	
Africa :																				
British East Africa . . . . .	18.6	34.2	27.8		2.2	6.1	7.3		5.8	5.1	5.9		6.0	4.4	6.7		32.6	49.8	47.7	
British West Africa . . . . .	90.6	72.2	102.8		0.8	2.8	1.7		9.1	7.3	11.1		13.9	8.6	12.1		114.4	90.9	127.7	
North and South Rhodesia . . . . .	31.3	43.1	38.9		..	..	..		1.6	2.3	2.6		4.8	4.5	8.0		37.7	49.9	49.5	
Union of South Africa . . . . .	53.4	37.1	45.8		40.9	38.9	48.5		10.0	7.9	15.6		32.6	24.9	24.8		136.9	108.8	134.7	
Asia :																				
Burma . . . . .	3.4	3.5	4.5		0.1	0.2	0.3		0.2	0.3	0.3		0.7	1.0	0.7		4.4	5.0	5.8	
Ceylon . . . . .	29.8	31.7	30.2		2.0	2.2	1.9		5.0	3.0	3.4		10.3	7.1	6.4		47.1	44.0	41.9	
Hong Kong . . . . .	10.2	6.4	6.7		0.3	0.2	0.3		..	0.3	0.5		3.3	1.1	1.2		13.8	8.0	8.7	
India . . . . .	105.1	114.6	112.6		5.1	5.7	5.5		8.2	5.4	5.7		34.0	30.7	20.9		152.4	156.4	144.7	
Iran . . . . .	9.0	14.8	13.7		22.4	22.6	23.1		7.4	7.4	11.3		7.7	8.9	16.2		46.5	53.7	64.3	
Malaya and Singapore . . . . .	87.8	115.2	88.4		30.8	23.3	27.6		31.9	15.6	20.3		36.4	43.3	37.4		186.9	197.4	173.7	
Pakistan . . . . .	36.6	22.9	44.0		12.6	17.0	22.2		11.0	11.6	15.1		26.1	21.8	28.7		86.3	73.3	110.0	
Oceania :																				
Australia . . . . .	227.7	115.8	134.1		99.4	17.6	54.8		26.3	14.7	17.5		82.8	55.4	64.4		396.2	203.5	270.8	
New Zealand . . . . .	142.8	93.3	133.2		11.0	5.2	14.5		5.6	4.8	6.1		10.5	10.4	16.7		169.9	113.7	170.5	
Other overseas sterling area (in- cluding British colonies) . . .	89.9	147.5	155.4		30.2	53.2	55.7		9.4	8.9	10.5		42.3	67.0	69.5		171.8	276.6	291.1	
XIII. Dependent overseas terri- tories (excl. British colonies)	92.7	82.1	99.1		230.4	281.9	279.9		39.6	25.6	47.1		186.9	170.4	181.3		549.6	560.0	607.4	
Belgian Congo and Ruanda Urundi (including Surinam) . . . . .	5.6	7.8	9.5		7.1	10.8	7.9		10.6	6.9	16.9		59.5	53.2	50.7		82.8	78.7	85.0	
Netherlands West Indies (including Surinam) . . . . .	35.0	32.7	29.9		1.9	0.6	0.3		0.6	0.3	0.7		36.3	41.3	38.7		73.8	74.9	69.6	
French North Africa . . . . .	33.6	27.0	36.1		103.0	148.2	143.2		12.0	10.8	14.0		32.8	28.0	36.3		181.4	214.0	229.6	
French West and Equatorial Africa Indochina . . . . .	1.7 0.8	2.5 1.6	2.1 0.6		57.1 17.2	74.2 13.4	62.4 17.3		10.0 1.6	3.7 0.3	7.0 3.1		11.2 0.2	4.9 0.3	7.9 0.4		80.0 19.8	85.3 15.6	79.4 21.4	
Other dependent overseas territories (excluding British colonies) . . .	16.0	10.5	20.9		44.1	34.7	48.8		4.8	3.6	5.4		46.9	42.7	47.3		111.8	91.5	122.4	
XIV. Other overseas countries :	182.6	156.5	153.1		85.6	82.3	100.8		51.9	64.5	64.3		276.6	195.5	192.3		596.7	498.8	510.5	
Egypt . . . . .	88.4	7.4	27.1		17.8	14.2	16.5		5.3	7.5	8.6		36.4	22.5	24.5		147.9	51.6	76.7	
China . . . . .	8.2	3.6	3.1		4.6	2.5	1.8		12.0	6.6	3.6		28.7	7.6	4.4		53.5	20.3	12.9	
Indonesia . . . . .	12.3	27.3	14.6		6.3	8.4	6.4		10.3	26.3	21.7		73.0	57.5	59.9		101.9	119.5	102.6	
Iran . . . . .	34.1	1.1	3.7		10.3	1.1	1.5		4.5	4.2	4.9		4.1	4.2	6.0		90.3	17.6	16.1	
Israel . . . . .	9.2	0.9	9.5		..	..	..		..	..	..		5.2	2.8	5.0		14.4	3.9	14.7	
Japan . . . . .	7.8	15.6	18.6		5.3	5.3	7.0		5.5	4.6	10.1		14.4	11.4	14.6		36.9	50.3	50.3	
Philippines . . . . .	1.3	2.8	3.4		2.1	2.6	2.2		1.7	3.0	1.2		13.2	16.4	13.3		18.3	24.8	20.1	
Taiwan . . . . .	..	..	..		..	..	..		..	..	..		..	..	..		..	..	..	
Thailand . . . . .	1.9	2.9	1.6		..	..	..		0.6	0.2	1.0		6.9	2.4	1.5		9.4	5.8	4.4	
Rest of other overseas . . . . .	19.4	94.9	71.5		39.2	47.7	64.9		12.0	12.1	13.2		57.4	63.7	63.1		128.0	218.4	212.7	
TOTAL OVERSEAS COUNTRIES (excluding U.S. and Canada)	1347.5	1269.9	1337.2		598.9	660.6	744.2		281.7	260.9	342.6		998.6	864.2	924.2		3226.7	3055.6	3348.2	
																	1885.4	1412.0	1733.0	

EXPORTS





European exports of which	37	35	37	14	15	41	127	89	127	89	71	83	101	70	75	20	17
	Denmark	2	8	8	12	13	69	46	69	46	50	60	54	40	53	11	12
European imports	102	102	65	37	50	89	62	29	62	29	23	27	13	18	27	29	30
	United Kingdom	84	60	19	31	62	29	24	69	46	50	60	54	40	53	11	12
of which	102	102	65	37	50	89	62	29	62	29	23	27	13	18	27	29	30
	Denmark	84	60	19	31	62	29	24	69	46	50	60	54	40	53	11	12
European exports	240	234	65	37	50	89	62	29	62	29	23	27	13	18	27	29	30
	Norway	240	234	65	37	50	89	62	62	29	23	27	13	18	27	29	30
of which	240	234	65	37	50	89	62	29	62	29	23	27	13	18	27	29	30
	Denmark	240	234	65	37	50	89	62	62	29	23	27	13	18	27	29	30
European imports	249	215	57	47	54	203	133	120	133	120	179	239	135	128	223*	227	43
	Germany b	249	215	57	47	54	203	133	133	120	179	239	135	128	223*	227	43
of which	249	215	57	47	54	203	133	120	133	120	179	239	135	128	223*	227	43
	United Kingdom	249	215	57	47	54	203	133	133	120	179	239	135	128	223*	227	43
European exports	64	17	2	17	10	736	768	847	768	847	894	1,107	870	1,091	962*	924	326
	Belgium-Luxembourg	64	17	2	17	10	736	768	768	847	894	1,107	870	1,091	962*	924	326
of which	64	17	2	17	10	736	768	847	768	847	894	1,107	870	1,091	962*	924	326
	Norway	64	17	2	17	10	736	768	768	847	894	1,107	870	1,091	962*	924	326
European imports	427	394	102	47	188	486	633	528	633	528	578	533*	643*	624*	575*	559	222
	United Kingdom	427	394	102	47	188	486	633	486	633	578	533*	643*	624*	575*	559	222
of which	427	394	102	47	188	486	633	528	486	633	578	533*	643*	624*	575*	559	222
	Belgium-Luxembourg	427	394	102	47	188	486	633	486	633	578	533*	643*	624*	575*	559	222
European exports	249	237	27	27	47	124	130	188	130	188	171	145	149	185	186	158	26
	Norway	249	237	27	27	47	124	130	130	188	171	145	149	185	186	158	26
of which	249	237	27	27	47	124	130	188	130	188	171	145	149	185	186	158	26
	Belgium-Luxembourg	249	237	27	27	47	124	130	130	188	171	145	149	185	186	158	26
European imports	188	180	47	27	124	114	115	120	115	120	127	123	132	109	128	153	49
	United Kingdom	188	180	47	27	124	114	115	115	120	127	123	132	109	128	153	49
of which	188	180	47	27	124	114	115	120	115	120	127	123	132	109	128	153	49
	Belgium-Luxembourg	188	180	47	27	124	114	115	115	120	127	123	132	109	128	153	49
European imports	66	61	52	86	77	55	26	45	55	26	67	71	49	37	80	78	72
	United Kingdom	66	61	52	86	77	55	26	26	45	67	71	49	37	80	78	72
European exports	92	86	34	107	55	60	56	85	56	85	115	65	60	91	128	73	26
	United Kingdom	92	86	34	107	55	60	85	56	85	115	65	60	91	128	73	26
of which	92	86	34	107	55	60	56	85	56	85	115	65	60	91	128	73	26
	Belgium-Luxembourg	92	86	34	107	55	60	85	56	85	115	65	60	91	128	73	26
European imports	41	29	10	36	18	37	21	14	21	14	34	38	24	18	41*	34	14
	United Kingdom	41	29	10	36	18	37	21	21	14	34	38	24	18	41*	34	14
of which	41	29	10	36	18	37	21	14	21	14	34	38	24	18	41*	34	14
	Belgium-Luxembourg	41	29	10	36	18	37	21	21	14	34	38	24	18	41*	34	14

a For the composition of the commodity groups and information on conversion factors employed, see Economic Survey of Europe in 1949, Appendix B, page 260.

b The countries whose trade is included throughout the table are: United Kingdom, Iceland, Ireland, France, the Netherlands, Belgium-Luxembourg, Switzerland, Italy, Greece, Spain, Portugal, Turkey, Denmark, Sweden, Norway, Finland, Germany and Austria. The coverage for Sweden is incomplete, the published monthly trade returns giving only the most important items in each commodity group, which, however, usually make up from 80 to 90 per cent of its total trade. For Germany, the 1938 data refer to the pre-war period; the post-war figures refer to the U.K./U.S. Zone and the U.S. Zone only.

c Provisional.



Table XXIII - IMPORTS AND EXPORTS OF SELECTED INDUSTRIAL MATERIALS  
Thousands of tons

NOTE. - Data cover imports from all sources and exports to all destinations, both European and non-European, by the countries listed in footnote *b* below. Trade of eastern European countries is not included because of the lack of data on a sufficiently regular and detailed basis. Figures for 1938 are shown both for Europe as a whole (including the U.S.S.R. and the Baltic States) and, to provide comparability, for the countries covered by the post-war figures.

Commodity group <i>a</i>	EIGHTEEN EUROPEAN COUNTRIES <i>b</i>									
	TOTAL EUROPE	1938		1949		1950		1951		1952
	Quarterly average	Quarterly average	Quarterly average	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	First quarter <i>c</i>
<b>Coal, coke and patent fuel</b>										
European imports . . . . .	21,560	20,667	14,985	16,570	13,922	15,550	16,095	15,763	19,309	22,409
of which										
France <i>b</i> . . . . .		5,525	3,769	3,461	2,462	2,093	2,513	2,407	3,121	4,632
Italy . . . . .		3,041	1,365	2,471	1,830	2,111	1,942	2,203	2,912	4,227
Austria . . . . .		575	1,600	1,648	1,310	1,444	1,395	1,494	1,252	2,705
Sweden . . . . .		1,933	1,821	1,941	1,381	1,874	1,993	1,878	2,145	1,738
European exports <i>d</i> . . . . .	25,833	21,639	13,506	14,086	12,614	13,807	13,589	11,105	11,322	2,066
of which										
Germany <i>b</i> . . . . .		8,202	5,542	6,099	5,608	7,244	6,775	6,253	6,380	11,591
United Kingdom . . . . .		9,699	5,418	5,416	4,386	3,885	3,604	2,197	2,244	6,401
France . . . . .		300	1,359	1,334	1,576	1,750	1,950	1,652	1,709	3,063
<b>Mineral oil, crude and refined <i>e</i></b>										
European imports . . . . .	9,825	9,528	14,204	14,139	16,297	17,805	18,051	18,809	21,648	23,588
of which										
United Kingdom . . . . .		3,179	4,330	4,677	5,337	5,007	5,146	5,622	7,018	7,345
France <i>b</i> . . . . .		2,071	3,197	3,275	3,609	3,517	4,244	3,999	4,858	5,150
Netherlands . . . . .		461	1,070	1,174	1,451	1,835	1,809	1,847	1,777	2,038
Italy . . . . .		691	1,014	1,049	1,417	1,670	1,655	1,696	2,154	2,497
Germany <i>b</i> . . . . .		1,347	592	383	723	810	937	963	998	1,108
European exports . . . . .	2,130	532	1,625	1,649	2,135	3,326	2,753	2,579	3,127	5,647
of which										
France <i>b</i> . . . . .		147	742	618	811	1,136	1,064	742	1,139	1,785
Netherlands . . . . .		20	436	495	797	1,352	1,979	1,117	963	1,320
<b>Steel, crude and finished</b>										
European imports . . . . .	1,243	1,072	1,100	1,232	1,388	1,284	1,400	1,485*	1,493*	1,646
of which										
United Kingdom . . . . .		208	138	135	146	118	68	85	99	168
Netherlands . . . . .		199	203	297	281	276	283	349	333	249
European exports . . . . .	1,999	1,803	2,273	2,489	2,716	2,443	4,123	3,510*	3,624*	3,254
of which										
Belgium-Luxemb. . . . .		550	717	808	783	688	1,091	1,155	1,295	1,286
France <i>b</i> . . . . .		289	755	657	742	541	1,490	1,135	1,049	720
United Kingdom . . . . .		325	520	572	623	625	704	590	572	511
Germany <i>b</i> . . . . .		534	149	311	405	441	633	468	503	547
<b>Copper</b>										
European imports . . . . .	339	314	186	207	236	188	219	241	227	252
of which										
United Kingdom . . . . .		90	61	71	93	81	78	94	95	92
France <i>b</i> . . . . .		28	31	41	27	13	31	38	24	36
Belgium-Luxemb. . . . .		56	42	39	53	38	44	45	45	38
European exports . . . . .	55	46	52	56	68	66	67	53	48	48
of which Belgium-Luxemb. . . . .		30	25	32	34	30	32	28	26	25
<b>Timber (thousand m<sup>3</sup>)</b>										
European imports . . . . .	8,431	8,075	6,468	3,431	4,493	7,534	5,904	4,367	5,352	4,371
of which										
United Kingdom . . . . .		3,373	2,821	1,278	1,387	2,781	2,203	1,775	2,453	1,951
France <i>b</i> . . . . .		861	680	329	205	283	734	571	637	581
Netherlands . . . . .		668	685	431	660	1,101	1,091	571	637	328
European exports . . . . .	7,188	3,768	4,183	2,273	4,168	6,112	4,694	3,008	4,499	2,733
of which										
Finland <i>b</i> . . . . .		1,704	1,655	302	1,456	3,020	1,679	754	1,568	794
Sweden . . . . .		1,030	1,181	526	913	1,272	1,201	431	865	632
<b>Wood-pulp</b>										
European imports . . . . .	752	732	729	720	863	763	772	769	873	867
of which										
United Kingdom . . . . .		431	331	302	420	379	353	354	443	428
France <i>b</i> . . . . .		93	118	119	162	102	18	123	126	156
Italy . . . . .		67	47	92	54	49	42	53	57	62
European exports . . . . .	1,296	1,231	1,136	861	1,101	932	1,018	812	1,223	850
of which										
Sweden <i>b</i> . . . . .		573	629	408	604	483	596	372	682	404
Finland . . . . .		405	356	258	311	273	244	231	242	236
Norway . . . . .		195	124	149	131	118	148	140	134	161

<i>Newsprint</i> European imports of which United Kingdom . . . . . European exports of which Finland . . . . . Sweden <i>b</i> . . . . . Norway . . . . .	169	159	113	107	82	71	81	90	68	95	83	100	122
				61	37	28	33	42	29	53	44	48	57
	249	247	89	214	232	244	225	242	206	238	223	240	225
			40	45	51	51	46	55	43	59	47	95	89
			38	36	38	36	32	38	37	31	35	35	50
<i>Raw wool</i> European imports of which United Kingdom . . . . . France <i>b</i> . . . . . Belgium-Luxemb. . . . .	255	231	76	188	231	248	185	181	217	164	120	107	179
			60	30	47	44	38	32	41	44	40	41	66
			29	26	33	36	24	30	27	18	14	12	15
<i>Raw cotton</i> European imports of which United Kingdom . . . . . France <i>b</i> . . . . . Germany <i>b</i> . . . . . Belgium-Luxemb. . . . .	506	438	139	343	468	430	396	389	418	378	370	394	483
			73	63	103	141	119	117	118	107	143	120	103
			88	61	69	63	56	66	75	56	54	78	101
			34	29	37	32	22	36	38	20	17	39	86
													40
<i>Wool yarn</i> European imports of which Netherlands . . . . . European exports of which United Kingdom . . . . . Italy . . . . . Belgium-Luxemb. . . . .	9.8	8.2	1.9	10.5	12.4	10.7	11.3	13.4	11.8	8.9	5.3	6.1	4.7
				2.5	3.4	3.3	2.6	3.0	2.8	2.1	0.9	0.9	0.9
	10.2	8.3	3.9	12.8	14.8	14.1	13.6	17.8	15.2	12.5	7.8	8.8	6.7
			4.5	4.5	3.9	3.9	4.0	4.2	4.1	3.3	2.3	2.4	2.4
			2.0	3.4	3.9	3.1	2.2	3.0	5.6	2.5	1.4	1.8	1.3
<i>Cotton yarn</i> European imports of which Germany . . . . . European exports of which United Kingdom . . . . . Italy . . . . . Belgium-Luxemb. . . . .	25.0	16.2	5.5	17.6	22.7	18.0	17.8	18.7	20.3	22.7	23.2	14.9	12.2
				3.5	4.6	2.4	1.2	1.6	2.3	1.9	3.1	3.1	1.3
	34.4	30.3	14.0	27.4	26.9	24.0	21.0	24.6	24.6	28.0	28.7	30.2	25.6
			8.2	9.2	8.0	7.7	7.7	8.9	8.9	8.2	6.8	5.8	5.5
			4.8	9.2	9.2	7.5	6.1	5.5	5.9	9.6	9.1	10.7	7.0
<i>Artificial yarn and fibres</i> European imports of which Germany <i>b</i> . . . . . United Kingdom . . . . . European exports of which Italy . . . . . United Kingdom . . . . . Netherlands . . . . .	10.9	8.1	3.8	9.6	12.1	11.6	14.3	15.5	18.4	18.9	17.6	13.9	13.2
				2.3	3.6	2.8	3.4	4.6	5.2	4.1	5.4	3.0	3.9
			—	0.3	1.2	0.8	1.0	0.9	1.5	3.4	2.5	2.6	0.9
	20.4	20.2	9.8	32.2	33.3	44.3	47.8	59.8	60.1	61.2	51.6	45.6	45.3
			3.2	5.4	5.0	8.6	12.5	15.6	13.4	15.2	11.2	6.7	5.9
<i>Cotton tissue</i> European imports of which United Kingdom . . . . . France <i>b</i> . . . . . Netherlands . . . . . Belgium-Luxemb. . . . . Switzerland . . . . . Italy . . . . . Germany <i>b</i> . . . . .	..	6.5	74.1	18.4	21.9	23.9	25.1	25.7	27.2	25.0	22.0	20.4	18.1
			39.8	23.7	61.6	56.2	57.2	73.1	66.3	69.0	69.3	70.2	69.3
			6.8	12.8	24.1	21.0	22.7	26.6	24.3	28.3	24.6	22.2	24.3
			4.7	9.1	13.3	13.4	12.3	16.9	13.2	15.7	13.5	14.7	14.7
			1.1	1.6	2.5	2.5	2.9	3.8	2.5	3.0	2.5	2.5	2.5
<i>Hides and skins</i> European imports of which United Kingdom . . . . . France <i>b</i> . . . . . Germany <i>b</i> . . . . .	148	118	23	91	112	113	91	119	119	109	73	66	87
			11	12	16	19	14	29	31	37	25	15	18
			34	15	17	15	16	29	21	13	10	12	21
<i>Rubber</i> European imports of which United Kingdom . . . . . France <i>b</i> . . . . . Germany <i>b</i> . . . . .	112	103	35	129	150	132	138	172	186	173	170	219	140
			28	45	61	55	54	59	72	70	71	100	22
			17	25	27	27	26	36	39	36	35	35	44
			27	25	24	16	27	35	32	20	26	25	29

NOTE. — All 1938 data for Austria and Germany have been taken from statistical publications of these two countries; the figures do not include their mutual trade.

*a* For the composition of the commodity groups and information on conversion factors employed, see *Economic Survey of Europe in 1949*, Appendix B, page 206.

*b* United Kingdom, Iceland, Ireland, France, Netherlands, Belgium-Luxembourg, Switzerland, Italy, Greece, Spain, Portugal, Turkey, Denmark, Sweden, Norway, Finland, Germany, Austria. Figures and estimates for total exports of coal can be found in the *Monthly Bulletin of Coal Statistics*, published by the British Coal Corporation.

*c* The Economic Commission for Europe. The conversion factor for Sweden is incomplete, the published monthly trade returns giving only the most important items in each commodity group, which, however, usually make up from 80 to 90 per cent of its total trade. For Germany, the 1938 figures are based on the whole of the territory. The conversion factor for the U.K. is based on the only up to the fourth quarter of 1949 and thereafter to the three western zones, including West Berlin. The Saar formed part of the German trade area in 1938, but beginning with 1948, its trade is included with that of France.

*c* Provisional.

*d* Including bunkers.

*e* Crude equivalent.

*f* Total covers only countries for which export figures are shown separately, plus Sweden.

Table XXIV — PRICES OF BASIC COMMODITIES

U. S. dollars per ton

Commodity	Market	Type of price	June 1950	March 1951	Dec. 1951	March 1952	End of June 1952	Commodity	Market	Type of price	June 1950	March 1951	Dec. 1951	March 1952	End of June 1952
Coal	United States	Domestic <sup>a</sup>	6.1	6.3	6.3	6.3	6.3	Tin	United States	Import	1,715	3,210	2,271	2,679	
	United Kingdom	Domestic <sup>b</sup>	7.5	8.1	8.1	9.6	9.6		United Kingdom	Auction	1,658	3,630	2,557	2,670	
	Western Germany	Export <sup>c</sup>	12.1	12.6	13.1	15.2	15.2		Italy	Domestic	2,045	4,040	2,972	3,080	
	France	Domestic	6.9	7.4	7.4	9.2	9.2		United States	Domestic	344	401	448	448	
	Italy	Domestic	10.8	10.8	15.1	15.1	15.1			United Kingdom	Domestic	349	416	524	358
Coke	Poland	Domestic	18.1 <sup>d</sup>	26.4	28.0	27.2	25.0	Zinc	Western Germany	Domestic	321	408	464 <sup>e</sup>	464	
	United States	Export <sup>e</sup>	12.9	24.0	24.7	24.7	20.7		France	Domestic	429	503	652	654	
	United States	Domestic	15.7	16.3	16.3	16.3	16.3		Italy	Domestic	440	580	672	544	
	United Kingdom	Domestic	10.1	11.0	11.2	12.3	12.3		United States	Domestic	408	540	573	507	
	Western Germany	Domestic	11.2	12.5	12.5	15.4	15.4			United Kingdom	Domestic	682	1,592	1,147	706
Steel scrap	France	Domestic	14.7	14.7	20.9	20.9	20.9	Rubber	United Kingdom	Auction <sup>g</sup>	669	1,698	1,055	701	
	Italy	Domestic	29.4	34.1	39.0	39.0	38.0		Cotton	United States	D. and exp.	745	992	926	891
	United States	Domestic	43.2	44.4	43.4	43.3	43.3			Brazil	Domestic	794	1,588	1,360	1,176
	United Kingdom	Domestic	10.8	10.8	16.7	17.0	17.0			Egypt	Export	—	1,967	1,530	889
	Western Germany	Domestic	17.4	21.9	21.9	40.0	40.0			Export	Export	957	2,529	2,315	1,369
Italy	Domestic	16.0	48.0	75.2	84.2	..	Wool	United States		Domestic	3,881	8,269 <sup>h</sup>	4,080 <sup>h</sup>	3,528 <sup>h</sup>	
United States	Domestic	45	51	51	51	51		United Kingdom	Domestic	1,495	3,449	1,632	1,407		
United Kingdom	Domestic	29	30	32	34	34		United Kingdom	Auction	3,602	8,079	3,499 <sup>i</sup>	1,290 <sup>i</sup>		
Western Germany	Domestic	34	40	57 <sup>k</sup>	57	69		United States	Import	361	560	505	388		
France	Domestic	44	44	64	65	60		United States	Import	317	533	459	372		
Pig-iron	Italy	Domestic	55	85	83	83	80	Jute	United States	Domestic	16.4	37.0	27.8	13.5	
	United States	Domestic	76	82	82	82	82		United Kingdom	Domestic	16.7	21.5	26.6	24.3	
	United Kingdom	Domestic	60	61	76	86	86		India	Export	14.1	34.8	25.8	16.2	
	Western Germany	Export	70	89	126	131	137		United States	Import	525	792	577	551	
	France	Domestic	54	60	80	80	93			Export	Export	249	463	507	505
Steel bars	France	Export	54	111	140	130	125	Hard fibres	United Kingdom	Import	359	732	539	634	
	France	Domestic	59	60	86	86	83		United States	Domestic	1,566	1,720	1,720	1,610	
	Belgium	Export	49	120	135	135	125		United States	Domestic	947	1,525	1,501	1,338	
	Italy	Domestic	53	75	84	84	84		Italy	Domestic	1,624	1,984	1,984	1,776	
	Italy	Export	53	145	143	144	120 <sup>j</sup>		Copra	United States	Import	190	303	187	141
United States	D. & exp.	3.10	3.36	3.36	3.36	3.34	Philippines	Export		177	254	142	99 <sup>k</sup>		
United Kingdom	Domestic	5.94	6.62	5.64	4.91	5.31	Indonesia	Export		214	229	181	183		
France	Import	4.31	5.69	5.34	5.97	5.97	Sweden	Export		145	228	256	248		
Italy	Domestic	3.58	5.14	4.66	4.41	4.30	Sawn wood (U.S.\$ per standard)	United States <sup>m</sup>		Domestic	136	154	154	154	
United States	Domestic	386	419	419	419	419		United Kingdom <sup>n</sup>	Import	127	185	204	204		
United Kingdom	Domestic	309	342	342	408	433		Sweden <sup>o</sup>	Export	140	295	250	195		
Western Germany	Domestic	411	495	552	552	552		Wood-pulp	Canada <sup>p</sup>	Export	96	101	112	113	
France	Domestic	480	486	681	683	615			Finland <sup>q</sup>	Export	87	123	123	187	
Italy	Domestic	580	680	720	770	700	United States		Domestic	512	787	410	281		
Copper	United States	Domestic	485	534	534	534	534	Hides	South Africa	Domestic	473	701	430	430	
	United States	Import <sup>g</sup>	..	..	606	606	730-750		Cuba	Export	93	121	107	95	
	United Kingdom	Domestic	513	557	626	636	791		United States	Import	1,054	1,208	1,191	1,208	
	Western Germany	Domestic	513	566	645 <sup>r</sup>	645	747		United States	Import	679	847	719	847	
	France	Domestic	640	722	905	907	997		Canada	Export	69	77	88 <sup>s</sup>	85	
Lead	Italy	Domestic	520	1,230	1,300	1,100	912	Sugar	United States	Domestic	512	787	410	281	
	United States	Domestic	262	375	419	419	353		South Africa	Domestic	473	701	430	430	
	United Kingdom	Domestic	262	375	482	449	377		Cuba	Export	93	121	107	95	
	Western Germany	Domestic	276	397	454 <sup>s</sup>	454	363		United States	Import	1,054	1,208	1,191	1,208	
	France	Domestic	326	463	588	591	447		United States	Import	679	847	719	847	
Nickel	Italy	Domestic	363	475	474 <sup>s</sup>	460	404	Coffee	United States	Export	93	121	107	95	
	United States	Domestic	202	375	419	419	353		United States	Import	1,054	1,208	1,191	1,208	
	United Kingdom	Domestic	262	375	482	449	377		United States	Import	679	847	719	847	
	Western Germany	Domestic	276	397	454 <sup>s</sup>	454	363		Canada	Export	69	77	88 <sup>s</sup>	85	
	France	Domestic	326	463	588	591	447		United States	Export	93	121	107	95	
Nickel	Italy	Domestic	363	475	474 <sup>s</sup>	460	404	Cocoa	United States	Domestic	512	787	410	281	
	United States	Domestic	202	375	419	419	353		South Africa	Domestic	473	701	430	430	
	United Kingdom	Domestic	262	375	482	449	377		Cuba	Export	93	121	107	95	
	Western Germany	Domestic	276	397	454 <sup>s</sup>	454	363		United States	Import	1,054	1,208	1,191	1,208	
	France	Domestic	326	463	588	591	447		United States	Import	679	847	719	847	
Nickel	Italy	Domestic	363	475	474 <sup>s</sup>	460	404	Wheat	United States	Export	93	121	107	95	
	United States	Domestic	202	375	419	419	353		United States	Import	1,054	1,208	1,191	1,208	
	United Kingdom	Domestic	262	375	482	449	377		United States	Import	679	847	719	847	
	Western Germany	Domestic	276	397	454 <sup>s</sup>	454	363		Canada	Export	69	77	88 <sup>s</sup>	85	
	France	Domestic	326	463	588	591	447		United States	Export	93	121	107	95	

See following page for footnotes to this table.

## NOTES TO THE STATISTICS

### 1. GENERAL

As in the case of previous *Bulletins*, the notes below are concerned only with corrections and additions to the statistical series used in the preparation of the *Economic Survey of Europe in 1951*, and of the *Economic Bulletin for Europe*, Vol. 4, No. 1.

### 2. INDEX NUMBERS OF INDUSTRIAL PRODUCTION (Tables I and III to V)

The United Kingdom indices for the first and second quarters were specially adjusted for the changing position of Easter, as described in Vol. 3, No. 2.

The indices for eastern European countries are those of gross production, while those of western Europe are net production, and comparisons between the two are not entirely valid. The summation of national into European indices has been made by using weights representing, for the annual indices, net values of production in 1938, and, for the quarterly indices, net values in 1948 at 1938 prices. Weights will be revised in the near future.

#### *Changes and additions*

*Belgium*: Engineering production is now represented by the index for metal trades calculated by the Institut de Recherches économiques et sociales, Louvain, instead of that calculated by the Ministry of Economic Affairs. It is originally based on 1948–50. The link with pre-war is based on the index published by the Ministry of Economic Affairs.

*Denmark*: The link with pre-war of the index of engineering production has been revised in accordance with data supplied by the Statistical Office of that country.

*Western Germany*: All index numbers of industrial production have been revised by the Federal Statistical Office.

*Portugal*: The index numbers for 1951 have been revised to take account of the textile production figures now available.

*Spain*: An official index of industrial production is now published, but its insertion in this *Bulletin* has been delayed because of the lack of any series for engineering production. Further, the base year for weights (1929) makes it incomparable with those for other countries.

### 3. BUILDING ACTIVITY (Table X)

*Belgium*: Dwellings completed—most recent data from *Agence économique et financière*, Brussels.

*Western Germany*: Index of building activity—revision by Federal Statistical Office.

*Italy*: Buildings completed, 1951–12 months adjusted in proportion to the ratio between the final and 12-monthly figures for 1950.

### 4. PRODUCTION OF LIVESTOCK PRODUCTS (Table XII)

The figures for Italy cover all communities having more than 5,000 inhabitants (instead of 50,000 as in previous issues of the *Bulletin*). The base year of the index and the absolute figure refer to 1948.

#### *Notes to Table XXIV on the preceding page.*

Sources: See *Economic Bulletin for Europe*, Vol. 4, No. 1, page 78.

NOTE. — This table is a continuation of Table XXX in the *SURVEY for 1951*. For specifications of commodities shown, see pages 208–211 in that source.

*a* New series. Mine run bituminous, f.o.b. car at mine.

*b* New series. Durham best gas, f.o.b. Tyne, for home market.

*c* Durham best gas, f.o.b. Tyne, quality I, for export.

*d* January–June.

*e* C.I.f. Swedish east coast.

*f* The Belgian export price to dollar markets was around \$110 per ton.

*g* The import price \$606 per ton also applied to metal produced from imported ore. At the end of May, the ceiling price for imported copper was suspended in order to permit imports from Chile to be resumed.

*h* Nominal.

*i* May average.

*j* June average.

*k* April average.

*l* Fir battens, f.o.b. east coast.

*m* Domestic and Canadian bleached sulphite, f.o.b. mill.

*n* Chemical, dry bleached, unit value of imports from Sweden; March and May official maximum import prices.

*o* Bleached sulphite, quotation for the U.S. market.

*p* Paper rolls, f.o.b. Canadian mills.

*q* Export unit value.



## 5. PRICES

### *Index Numbers of Wholesale Prices (Table XIV)*

Although in principle the index numbers shown cover raw materials, semi-finished products and finished products, whether of domestic or foreign origin, in many cases finished products are not adequately represented.

### *Index Numbers of the Cost of Living (Table XIII)*

*Finland*: Taxes and children's allowances, previously included in this index, have been excluded.

## 6. VOLUME OF CONSUMPTION (Table 9)

*Belgium*: The textile index previously used (total of textile sales in department stores) has been replaced by a combined index—department stores, total clothing (weight 2); large shops specialized in clothing for men (1), and for women (1); under-clothing and haberdashery (2). The general index is a combination of the indices for food (weight 15) and textiles (6).

*Norway*: The indices were previously compared with 1949 averages in spite of lack of comparability. By splicing over the first five months of 1950, the comparability has now been restored.

*Sweden*: The component index numbers for food, textiles, shoes and household goods taken from *Meddelanden från Socialstyrelsens Utredningsbyrå* were previously published on the basis of the corresponding quarter of 1949: they have now been re-based on the average of the year 1949. After deflation they have been combined into one general series.

*Germany*: The quarterly estimates of total consumption are derived from the half-yearly data published in *Wirtschaft und Statistik* by applying the quarter-to-quarter movement estimated by F. Gruenig in *Vierteljahreshefte zur Wirtschaftsforschung*, Berlin.

## 7. INTERNATIONAL TRADE (Tables XVII-XXI)

### *Index Numbers of Unit Values (Tables XVII and XVIII) and Index Numbers of the Volume of Imports and Exports (Table XIX)*

*Belgium-Luxembourg*: From January 1952, new series with 1951 as base year (*Bulletin de Statistique*, April 1952).

*Denmark*: New series from first quarter 1950 based on 1949 = 100, published in *Statistiske Efterretninger*, 29 May 1952.

*France*: The unit value indices are now officially published in *Bulletin mensuel de statistique*, except for "textiles" and "finished engineering products": unit value indices for these items have been derived, as in the past, from value and volume indices.

*United Kingdom*: The unit value indices of type P<sub>3</sub> for 1951 and 1952 were taken from a new series based on 1951 = 100.

### *Imports and Exports of Eighteen European Countries and the United States (Table XX)*

The figures for Greece, Spain and Turkey for the first quarter of 1952 are estimates based on monthly figures already published. Starting with this issue of the *Bulletin*, certain changes have been introduced in the geographical composition of Groups III, VI, XIII and XIV. Yugoslavia is now in Group III and Indonesia in Group XIV. Figures have been adjusted for all quarters shown in the table. To make possible comparison with preceding quarters no longer published, the adjusted figures for Groups III, VI, XIII and XIV for the first and second quarters of 1950 are given in Table A opposite.

### *Trade of Eighteen European Countries and the United States with Overseas Countries (Table XXI)*

This new table is derived from national statistics, and gives a more detailed break-down of the individual groups shown in Table XX. A list of the individual countries included in certain composite areas of destination is shown below. As far as possible, the United Kingdom country break-down has been adopted for all overseas countries.

*British West Africa*: Includes Gambia, Sierra Leone, Gold Coast, Togoland, Nigeria and Cameroons under British Trusteeship.

*British East Africa*: Includes Kenya, Uganda, Tanganyika, Zanzibar and Pemba, Nyasaland and Somaliland protectorate.

*French North Africa*: Includes Algeria, Tunisia and Morocco.

*French West and Equatorial Africa*: Also includes Cameroons and Togoland under French trusteeship.



Table A

ADJUSTMENTS TO TABLE XX FOR THE FIRST AND SECOND QUARTERS OF 1950

Millions of dollars at current prices ; imports c. i. f. ; exports f. o. b.

		Group III <sup>a</sup>		Group VI <sup>b</sup>		Group XIII <sup>c</sup>		Group XIV <sup>d</sup>	
		First quarter	Second quarter	First quarter	Second quarter	First quarter	Second quarter	First quarter	Second quarter
United Kingdom . . . . .	Imports	81.5	75.0	22.2	20.0	75.8	80.5	104.0	134.0
	Exports	65.2	66.7	11.8	8.8	24.7	23.2	91.2	82.2
Ireland . . . . .	Imports	1.8	2.3	0.3	0.5	2.3	3.4	1.0	3.6
	Exports	0.5	0.1	—	0.1	0.1	—	0.2	0.4
Iceland . . . . .	Imports	0.3	0.3	1.2	0.8	0.5	0.5	—	—
	Exports	1.6	0.6	1.1	0.3	—	—	0.1	0.2
France . . . . .	Imports	49.8	45.3	11.0	6.7	191.6	216.1	53.3	59.5
	Exports	32.0	45.3	11.4	8.3	254.0	265.6	24.7	28.9
Netherlands . . . . .	Imports	12.8	12.0	12.0	8.8	14.4	20.5	36.9	47.5
	Exports	13.3	14.3	6.3	7.5	8.5	10.3	25.8	27.4
Belgium-Luxembourg . .	Imports	15.3	18.4	5.7	5.5	39.4	42.4	12.5	14.0
	Exports	31.6	32.0	9.8	9.9	22.3	21.8	22.4	18.1
Switzerland . . . . .	Imports	20.2	23.8	10.6	9.2	4.6	7.5	12.1	11.8
	Exports	27.0	34.4	10.5	10.8	3.4	5.3	10.9	10.5
Italy . . . . .	Imports	7.8	10.5	11.7	10.4	13.0	13.4	31.4	21.3
	Exports	16.6	17.6	9.3	10.9	4.4	5.6	15.9	21.0
Portugal . . . . .	Imports	1.1	1.2	0.6	0.5	16.1	14.1	2.2	2.6
	Exports	2.5	1.8	0.4	0.4	10.8	12.7	0.9	0.6
Greece, Spain, Turkey . .	Imports	12.4	13.3	7.0	7.3	29.2	30.5	21.7	29.5
	Exports	7.1	11.3	4.2	4.9	23.9	28.1	10.3	12.1
Denmark . . . . .	Imports	12.2	9.5	12.3	5.8	3.3	1.7	5.5	4.7
	Exports	6.5	6.0	5.2	2.3	1.9	2.8	2.9	2.4
Sweden . . . . .	Imports	18.9	12.9	14.7	12.8	9.9	13.4	13.8	15.6
	Exports	12.8	13.9	11.9	12.0	2.4	2.5	8.7	9.7
Norway . . . . .	Imports	6.9	6.3	7.2	3.9	6.7	8.0	7.0	8.4
	Exports	5.6	5.8	4.6	4.0	0.4	0.3	4.3	2.5
Finland . . . . .	Imports	3.3	6.7	10.9	10.0	1.7	2.9	2.4	1.4
	Exports	2.6	3.8	3.4	3.6	0.5	0.6	2.2	2.6
Western Germany . . . .	Imports	53.2	32.5	12.4	13.7	29.3	23.7	30.4	23.1
	Exports	50.2	69.8	16.1	19.9	2.5	3.0	12.6	16.2
Austria . . . . .	Imports	13.3	16.5	16.3	13.6	0.6	0.6	2.1	2.3
	Exports	17.3	22.4	10.3	10.3	0.4	0.3	2.2	3.5
Total of eighteen countries	Imports	310.8	286.5	156.1	129.5	438.4	479.2	336.3	379.3
	Exports	292.4	345.8	116.3	114.0	360.2	382.1	235.3	238.3
United States . . . . .	Imports <sup>e</sup>	53.7	56.8	11.1	11.1	65.9	67.1	189.0	201.6
	Exports	156.7	189.6	9.4	4.3	59.3	53.4	282.6	269.9

<sup>a</sup> Including Yugoslavia.

<sup>b</sup> Excluding Yugoslavia.

<sup>c</sup> Excluding Indonesia.

<sup>d</sup> Including Indonesia.

<sup>e</sup> F. o. b.

*Union of South Africa* : Also includes Bechuanaland, Basutoland, Swaziland.

*Indonesia* : Includes Sumatra, Java, former Dutch Borneo, other former Dutch possessions in the Indian Seas with the exclusion of Dutch New Guinea, except for the United States, which includes Dutch New Guinea with Indonesia.

*China* : Does not include Hong Kong, except for Switzerland, and includes Taiwan except for the United States, for which trade with Taiwan has been specified separately.

## 8. INTERNATIONAL PAYMENTS (Tables 6, XV and XVI)

### *Changes in Foreign Exchange Reserves of Selected European Countries (Table 6)*

The table is intended to indicate changes not only in the official net foreign exchange reserves, but also in foreign short-term assets and liabilities of the banking systems. In fact, however, the coverage of data reported in "total gold and foreign exchange holdings" varies considerably from country to country. Thus, for instance, figures given for Switzerland's total gold and foreign exchange holdings include only changes in the Central Bank's reported exchange reserves, while those for several other countries (e.g. the four Scandinavian countries) cover also changes in the net foreign exchange situation of private commercial banks.

These discrepancies should also be borne in mind when making comparisons between the four series given. In particular, the columns "holdings of gold and short-term dollar assets" are not directly comparable with the changes in the total gold and foreign exchange reserves, since they are partially based on estimates of European dollar assets in the United States given by American banks and including not only the assets of official and banking institutions, but also those of private individuals and business firms.

Data for E.P.U. settlements refer to the periods when the actual settlements were made, and not to the corresponding accounting periods. A given month's surpluses and deficits are usually settled on the 15th of the following month. Settlements during the first quarter of 1952, for instance, cover the clearing surpluses or deficits incurred from December 1951 to February 1952, inclusive.

### *Balance of Payments of Europe and Other Areas with the United States (Table XV)*

Shipments under the military aid programme have been eliminated from the table (see footnote d). The amounts of such aid given in the original data are as follows (*millions of dollars*) :

	OEEC countries	Latin American republics	All other countries	Total
1951—First quarter . . . . .	244	—	67	311
Fourth quarter . . . . .	182	34	104	320
1952—First quarter . . . . .	328	30	52	410

